

The Global Newspaper
Published in Paris
Printed simultaneously
in Paris, London, Hong
Kong, Singapore,
The Hague, Marseille, Miami.

Herald Tribune

Published With The New York Times and The Washington Post

Algeria	6.00	Den.	1.15	Iran	0.00	Ind.	0.00
Argentina	2.75	France	1.00	Italy	1.00	Japan	1.00
Australia	2.75	Germany	1.00	Lebanon	0.00	South Africa	1.00
Belgium	1.00	Greece	1.00	Spain	1.00	Taiwan	1.00
Canada	1.00	India	1.00	Sweden	1.00	U.S.	1.00
Ceylon	1.00	Israel	1.00	Switzerland	1.00	USSR	1.00
Denmark	1.00	Italy	1.00	Taiwan	1.00	West Germany	1.00
Egypt	1.00	Japan	1.00	U.S.	1.00	Yugoslavia	1.00
Finland	1.00	Lebanon	1.00	USSR	1.00		
France	1.00	Spain	1.00				
Germany	1.00	Sweden	1.00				
Greece	1.00	Switzerland	1.00				
India	1.00	Taiwan	1.00				
Iran	1.00	U.S.	1.00				
Israel	1.00	USSR	1.00				
Italy	1.00	West Germany	1.00				
Japan	1.00	Yugoslavia	1.00				
Lebanon	1.00						
South Africa	1.00						

No. 32,310 2/87

PARIS, SATURDAY-SUNDAY, JANUARY 10-11, 1987

ESTABLISHED 1867

Weekend Meeting in Brussels To Consider EMS Realignment

LATE NEWS

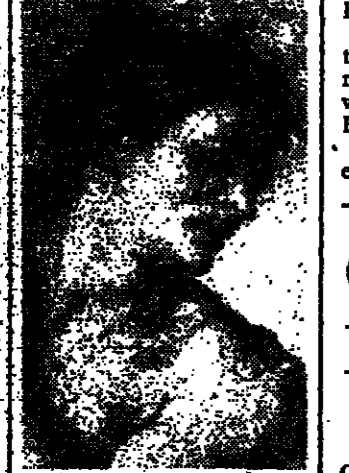
Shuttle Crew Named for '88

CAPE CANAVERAL, Fla. (UPI) — Frederick Hauck and four other experienced space fliers were named to the crew aboard the space shuttle Discovery, scheduled for launch on Feb. 18, 1988, the National Aeronautics and Space Administration announced Friday.

The crew includes Mr. Hauck, 45, the commander; Richard O. Covey, 40, the copilot; and John M. Lounge, 40, George D. Nelson, 36, and David C. Hilmers, 36.

The 1988 flight, scheduled to last four days, will be the first since the space shuttle Challenger exploded on Jan. 28, 1985.

INSIDE TODAY



The head of Adam, from Michelangelo's Sistine Chapel ceiling. Restoration of the Vatican masterpiece has caused a Roman tempest. Page 5.

GENERAL NEWS

- Vietnam reported that its forces have killed 1,500 Chinese in border fighting. Page 6.
- Poland is inviting the pope to make his third official visit later this year. Page 2.
- U.S. Air Force asks Congress to allow more tests for its anti-satellite weapon. Page 3.
- BUSINESS/FINANCE
- The chairman of Guinness stepped down at least for the duration of a U.K. inquiry into the company's affairs. Page 7.
- West Germany reported a record surplus in merchandise trade for 1986. Page 7.

By Ferdinand Protzman
International Herald Tribune
FRANKFURT — European monetary and central bank officials said late Friday that they will meet in Brussels this weekend to prepare for a possible realignment of the currencies that make up the European Monetary System.

The meeting was called at the end of a week of massive intervention by EMS central banks to defend the French franc, Danish kroner and Irish pound.

European central banks are estimated to have spent \$6 billion to support the three currencies against the buoyant Deutsche mark.

In New York, the dollar closed firmer on news of the meeting.

Sources close to the Bundesbank, West Germany's central bank, said senior officials would attend the meeting.

The Bundesbank would not comment on the reports.

A Danish central bank official told Reuters on Friday that the European Community's monetary committee would meet on Saturday to start the usual procedure for an EMS realignment.

A West German Finance Ministry official also confirmed that the meeting was taking place, but would not comment on whether Bundesbank officials would attend.

A ministry spokesman said earlier Friday that Gerhard Stoltenberg, the finance minister, would be campaigning this weekend for elections Jan. 25, and said EMS realignment talks would require the presence of the minister.

However, sources close to the Bundesbank said a realignment could be accomplished without the presence of the Bundesbank president, Karl Otto Pöhl, or Mr. Stoltenberg.

They said that other government and central bank representatives could be empowered to take the necessary action, and cited a devaluation of the Italian lira in 1984 as precedent.

The EMS, which includes Belgium, Denmark, Ireland, Italy, Luxembourg and the Netherlands, as well as France and Germany, requires intervention when currencies move outside a mutually agreed upon range.

The mark and the Dutch guilder have strengthened against other European currencies this week as speculators on foreign-exchange markets purchased those currencies as a refuge from the dollar, which has been weakened by the huge U.S. budget and trade deficits.

The French finance minister, Edouard Balladur, has said that West Germany's high interest rates and strong trading performance encourage foreign funds to flow

Inflation Rate Falls In U.S.

Wholesale Prices Decline by 2.5%; Joblessness Drops

By Jane Seaberry
Washington Post Service
WASHINGTON — The nation's wholesale prices fell in 1986 in their biggest drop in 37 years, while the civilian unemployment rate in December fell from 6.9 to 6.7 percent, the lowest rate of the Reagan presidency, the government reported Friday.

The Producer Price Index, which measures price changes at the crude, intermediate and final stages of production, declined 2.5 percent in 1986, the biggest drop since prices fell 4.6 percent in 1949. Prices in December were unchanged.

About 200,000 jobs were created last month and a record 60.9 percent of the civilian population was employed, the Labor Department reported. During 1986, employment rose by 2.2 million. Nearly all the new jobs were in service industries.

Manufacturing continued to improve slightly, having gained 85,000 jobs since September. Factory work last month, however, was still down 100,000 jobs from a year ago. The oil and gas industry lost 150,000 jobs last year, one-fourth of its work force.

The White House lauded the economic news and said that, considering the rise in the Dow Jones average to more than 2,000 this week, "the new economic year has begun with a roar."

Private economists say that, while they do not expect a return to rampant inflation, they do believe prices will increase from the unusually low levels of last year.

The major reason for the good price performance was the drop in oil prices, the benefits of which will not be carried over into 1987, the economists said.

Jane L. Norwood, commissioner of the Bureau of Labor Statistics, noted that the U.S. labor force grew by nearly two million last year but that women accounted for a smaller proportion of that growth than in recent years, at about 53 percent.

"Growth was especially rapid in the finance industry, as lower interest rates brought increased demand for new and refinanced home mortgages," Mrs. Norwood said.

The unemployment rate for the fourth quarter last year, 6.9 percent, was just slightly higher than the figure forecast by the Reagan administration nearly a year ago.



Early, Cold Winter Hits Europe

A Moscow militiaman, above, directs traffic in temperatures that fell as low as minus 32 degrees centigrade in one of the coldest winters since 1940. Below, homeowners in St. Christoph, in the Austrian Alps, dig their car out from under heavy snow that caused traffic problems and cut off several villages. Weathermen reported that Eastern Europe, Scandinavia and the Soviet Union were all experiencing the worst early winter in decades. Page 2.



Memo to Reagan Linked Hostages' Release to Arms

By David Hoffman
Washington Post Service
WASHINGTON — The White House released documents on Friday showing that at the time President Ronald Reagan approved arms sales to Iran, he was advised by his national security adviser that the shipments "may well be our only way to achieve the release of the Americans held in Beirut."

The administration has asserted that the weapons shipments were not approved as part of a swap for hostages, but to improve U.S. relations with Iranian moderates.

The documents made public Friday were Mr. Reagan's intelligence finding last Jan. 17 that authorized the sales and the withholding from Congress of information about them, and a three-page supporting memorandum.

Mr. Reagan did not read the memorandum but was briefed on it by his national security adviser, Vice Admiral John M. Poindexter, according to a senior White House official. Mr. Poindexter resigned his post after the disclosure of the sale and the diversion of part of the proceeds to the rebels fighting the government of Nicaragua.

The memorandum noted that it was against U.S. policy to make concessions to terrorists, but said an approach to Iran using weapons shipments "may well be our only way to achieve the release of the Americans held in Beirut." The word "only" was underlined in the paper.

The memorandum, which previously had been highly classified, indicated that both Israel, which acted as an intermediary for the weapons transfers, and Iran "have agreed that the hostages will be immediately released on commencement of this action."

"If all the hostages are not released after the shipment of the first 1,000 weapons, further transfers would cease," the memorandum stated. All the hostages were not released, but there were at least four arms deliveries after the Jan. 17 finding was signed.

In all, more than 2,000 TOW antitank missiles and spare parts

Iran Strikes Near Basra in New Offensive

By John Kifner
New York Times Service
NICOSIA — Iran launched a new offensive in the Gulf war Friday, and both sides reported heavy fighting near the southern Iraqi city of Basra.

By nightfall, the state news agencies in Tehran and in Baghdad, monitored in Cyprus, were claiming victory for their combatants and each asserted that "thousands" of the enemy had been slain.

The attack began at dawn, with Ayatollah Ruhollah Khomeini's Iranian forces striking across the Shatt-al-Arab waterway south of Basra and apparently gaining some ground against Iraq's 3d Army Division.

Late last month, Iran launched probing attacks, including an attempted raid by frogmen, in the area, mainly around the island of Umm al-Rassa, but were repulsed by the Iraqi defenders.

It was not immediately clear if the attack, which the Iranians code-named Karbala 5, would turn into the long-awaited major Iranian offensive. The attack was named for the holy shrine in Iraq where the major Shiite Muslim martyr figure, Hussein, was killed by Sunni Muslim rivals.

Iran is reported to have massed about 650,000 troops along the border in preparation for what its leaders have predicted will be an offensive to end the war in the current Persian year, ending in late March.

Although the outcome was still uncertain, the Iraqi news agency conceded that the Iranians had gained a "foothold" on the west bank of the Shatt-al-Arab and spoke of "pockets of resistance."

The Iranians, for their part, claim to have penetrated about 2.5 miles (four kilometers) past the river into Iraqi lines in the area of Salamchah, about 25 miles south-east of Basra. They said they had also launched another attack in marshlands further north.

As has been the case throughout the six years of the conflict, both sides issued extravagant and gruesome claims of the casualties they asserted they had inflicted.

"The battlefield was covered with Iraqi corpses," said Tehran radio, which broadcast martial music after announcing the offensive at 10 A.M. Friday.

The Iranians retreated, "leaving behind mountains of bodies," the Iraqi news agency said.

Goukouni Urges Rebels In Chad to Stop Fighting

Agence France-Press
TRIPOLI, Libya — The former Chadian rebel leader Goukouni Oueddei ended three months of silence in Libyan custody Friday to call on Chadian rebels to "lay down their arms" and hold talks.

Mr. Goukouni made the statement to five foreign correspondents while in the presence of senior officials from the Libyan Information Ministry. He has been under house arrest in Tripoli since breaking with his Libyan supporters in October and expressing support for the government of President Hissène Habré.

Earlier in Niamey, forces loyal to Mr. Goukouni formally announced that they were merging with the Chadian National Armed Forces.

Adam Yaoub, commander-in-chief of Mr. Goukouni's National Liberation Army, said in a statement broadcast on government radio that his troops and Mr. Habré's army "now form a single force, on all battlefields."

He said that according to the agreement, Mr. Habré's forces had agreed to provide "administration



and logistics" for their new allies and to recognize the rights of their officers and noncommissioned officers.

Mr. Goukouni disputed the statement, however. He said the

See CHAD, Page 6

Pretoria Shuts Out New York Times Reporters

New York Times Service
JOHANNESBURG — The South African authorities have refused to reconsider an order to the Johannesburg bureau chief of The New York Times to leave the country before Sunday. They have also refused a visa to his designated successor.

The actions, effectively suspending The Times's firsthand coverage of South Africa, were designed as a reprisal for what the authorities saw as a hostile attitude by the newspaper toward the government, according to government sources and others with access to official thinking.

[In another order aimed at tightening already strict curbs on the press, the government barred the local media from printing reports

or advertisements that improved the image or explained the policies of such banned organizations as the African National Congress.

A U.S. study found the ANC is obligated to Moscow and to local Communists. Page 3.

Reuters reported from Johannesburg.

[The police order came less than 24 hours after some newspapers called on Pretoria to lift its ban on the guerrilla movement.

[In recent weeks South Africa has severely restricted the reporting of unrest or dissent. Correspondents are subject to fines or imprisonment for failing to submit to censors articles that contravene

very strict regulations, and the curbs have significantly reduced the coverage of the country's racial crisis.]

The Times correspondent, Alan Cowell, has been bureau chief in South Africa since October 1983. He was to have been succeeded this month, in a routine personnel change, by Serge Schmemmann, a former Moscow bureau chief for the newspaper.

In New York, the executive editor of newspaper, Max Frankel, said: "We are deeply disappointed by the decision of the South African authorities. Alan Cowell and Serge Schmemmann are outstanding correspondents of unquestioned professionalism. Their assignments to South Africa reflected our longstanding sense that developments

Protestant Leader Shot Near Belfast; New Wave of Violence Is Threatened

The Associated Press
BELFAST — An Irish nationalist group wounded a Protestant politician in a parking lot near Belfast and threatened a campaign of violence in the weeks ahead.

The shooting Thursday night of David Calvert aroused fears of a fresh round of reprisal sectarian killings in Northern Ireland as Mr. Calvert's attackers vowed to continue attacking their opponents.

The Irish National Liberation Army, an extremist offshoot of the Irish Republican Army, claimed responsibility for the shooting.

Mr. Calvert, 40, was hit in the head and stomach and hospitalized in serious condition. The police said that two gunmen ambushed him outside his dry goods store near Portadown, 25 miles (40 kilometers) southwest of Belfast.

He is a leader of the Reverend Ian Paisley's Democratic Unionist Party. Mr. Calvert heads the party's faction on the Craigavon Borough Council, which he often uses as a platform to criticize Roman Catholic activists.

The Irish National Liberation Army said Mr. Calvert was targeted for his "outspoken and bigoted utterances" against Catholics and warned: "It is the beginning of a



campaign against all those responsible for the continued oppression of nationalists in the north of Ireland."

The group, which tried to kill Mr. Calvert in 1980, claimed several bombings and assassinations in the 1970s.

Its statement said: "The campaign in the weeks ahead will show critics of the INLA that our organization is far from being a spent force."

Mr. Calvert has campaigned against government aid to Irish nationalist organizations, especially the Gaelic Athletic Association, which he asserts is "riddled with Republicanism and Romanism," and against the Fair Employment Agency, which was set up to counter job discrimination against Catholics.

In 1984 he led a delegation to Washington for meetings with U.S. congressmen "to counter Republican propaganda."

Mr. Paisley said Friday: "The attack on Mr. Calvert once again proves that the government's security policy is a sick joke."

Foreign Minister Peter Barry of Ireland said the assassins "only wish to create tension and endan-

In Court Test in New Jersey, a Surrogate Mother Battles for Possession of 'Her' Child



By Margot Hornblower
Washington Post Service
HACKENSACK, New Jersey — Mary Beth Whitehead signed an agreement to have a baby for a couple in exchange for \$10,000. But in the delivery room, moments after her daughter was born, she changed her mind.

"At the end, something took over," the New Jersey housewife testified Thursday. "I guess it was just being a mother. It overpowered me. I just cried and cried. I didn't want the \$10,000. I just wanted my child."

Her voice cracking, her eyes streaming tears, Mrs. Whitehead, 29, was on the witness stand in a case that for the first time in a U.S. court tests the validity of a surrogate mother contract.

Upward of 600 children have been born in the last decade through agreements in which a woman is paid to be artificially inseminated with the sperm of a man whose wife is infertile. The woman then gives up the child to the couple.

Although three other cases of mothers who changed their minds have been cited by clinics that sponsor such arrangements, all have been settled out of court, with the father giving up the baby.

However, in the case of "Baby M," as the 9-month-old girl born to Mrs. Whitehead is known, the father, William Stern, a biochemist from the suburban town of Tenafly, and his wife, Elizabeth, a pediatrician, seized the child

in July after a court awarded them temporary custody.

They are now asking Judge Harvey R. Sorkow of New Jersey Superior Court to enforce the surrogate contract that was arranged by the Infertility Center of New York, a Manhattan

"I just cried and cried. I didn't want the \$10,000. I just wanted my child."

— Mary Beth Whitehead, the surrogate mother

clinic, and to deny visitation rights to Mrs. Whitehead.

"Everybody is talking about mothers' rights and nobody seems to be concerned about fathers' rights," Mr. Stern said Thursday outside the courtroom. "Fathers have dreams, too."

At the trial, which began Monday, the Sterns wept on the witness stand. Richard Whitehead, Mary Beth's husband, testified that he too had changed his mind in the delivery room, as he watched his wife "crying hysterically."

The case has attracted national attention. About 40 book and movie offers have been made to both couples. Attorneys say they expect the case to reach the New Jersey Supreme Court and set a precedent.

Legislation to govern the practice, which critics oppose as a form of "baby selling," has been debated in more than a dozen states and the District of Columbia, but no laws have been passed.

Mrs. Whitehead, a high-school dropout who was married at 16 and has two older children, answered a newspaper advertisement placed by the infertility center in 1984.

In almost four hours of testimony Thursday, she said that she had felt the pain of her sister, Beverly, who could not have children. "I thought that God would" aid Beverly, she said, if she helped another couple.

Mrs. Stern, 41, testified that she had delayed pregnancy until her medical residency was finished in 1981, but then discovered she had a mild form of multiple sclerosis. She said she feared she might become paralyzed if she were to become pregnant.

Mrs. Whitehead's attorney, Harold Cassidy, called this "an irrational fear." He said he would call on medical experts to refute the contention that Mrs. Stern could not bear children. The contract asserts that she is "infertile" and could not be enforced if she is fertile, Mr. Cassidy maintained.

Mr. Stern, 40, testified that he was the only child of refugees from Nazi Germany, both deceased. He said he wanted a child biologically.

See MOTHER, Page 6



Richard and Mary Beth Whitehead, the surrogate mother.

In Soviet, a New Class Struggle With a Rock Beat

By Bill Keller
New York Times Service

MOSCOW — A leading Soviet jazz-rock composer has extolled the virtues of heavy-metal rock music as a way for young working-class Russians to work out their resentment toward more affluent members of Soviet society.



"Bravo's" lead singer

"They just like to wave their hands and then calm down. If we forbid this music, they will display their aggressiveness in other forms."

—Alekssei Kozlov, rock composer



"Rondo" artist at work

This lecture on rock's role in abating class tensions was delivered at an officially organized news conference at the Soviet Foreign Ministry on "the problems of contemporary Soviet rock."

Flanked by two Foreign Ministry officials, Mr. Kozlov, whose group has long had government approval, called for greater candor in Soviet rock lyrics and urged that young people be allowed to dance at rock concerts — despite the complaints of some concert hall managers that the more avid heavy-metal fans have a tendency to smash the furniture.

Once decided in the press as a product of Western dissolution, rock music has become the latest tool for stimulating a younger generation bored and disaffected by the traditional run of youth activities offered by the Soviet state.

The Young Communist League, long disdained by many young Russians for its pedantic weekly lectures on Leninism, now

sponsors break-dancing contests and discotheques. Heavy-metal groups with such names as Cruise and Black Coffee, often decked out in studded leather regalia, are booked into sports arenas and concert halls where the usual fare used to be the Red Army Band.

Rock videos and break-dancing displays have blossomed on prime-time television. The government record company, Melodija, has begun producing records by groups that, a year or two ago, were confined to invitation-only performances in underground clubs.

Dmitri Shayvira, who edits a semi-monthly rock music page in the newspaper of the Moscow

Young Communist League, said that within the last year the official attitude toward hard rock had changed dramatically.

As evidence, he pointed to the fact that on Tuesday the Moscow Institute of International Affairs, a prestigious training ground for future diplomats, rang with the screaming electric chords of a heavy-metal rock festival.

Western rock is also being broadcast more freely. A popular television game show recently featured a video of Michael Jackson moonwalking through his 1982 hit "Billie Jean" — the same Michael Jackson who was scorned two years ago in the newspaper Sovetskaya Kultura as the em-

bodiment of Western corruption. But the official emphasis is on giving new attention to home-grown talent.

Youth-oriented newspapers and television, openly criticizing the bland Soviet pop music that has won official favor in the past, have demanded more adventurous fare.

The rock music that has won new official sanction is largely devoid of themes of youthful rebellion and the bitter political and social commentary common to Western lyrics.

itary to cries against drinking and drugs.

Mr. Kozlov said he would favor more pointed lyrics in Soviet rock.

The suburbs of the Soviet Union, he said, are crowded with "children from broken families," children of alcoholics, "children without talent or the opportunity to develop their talents, even in their factories."

"They look at the youths from well-to-do families, who have everything from the day of their birth," he said. "Between these youths, who have everything, and the heavy metalists, there exists a subconscious antagonism, and this situation is not well understood. It is expressed in the desire to listen to heavy metal."

The heavy-metal fans at concerts tend to be much more clean-cut and sedate than the groups they come to hear. At a recent rock show at the Izmailovo Sports Palace, a 6,000-seat arena, Rondo's lead singer, made up in rouge and glittered hair, cartwheelled across the stage as strobe lights flashed while two back-up singers gyrated in miniskirt versions of Soviet school uniforms. Warm applause.

While the Soviet state has decided to make the best of it, the proliferation of rock has not won universal approval from Soviet parents.

"It used to be parents could say to their kids, 'That's off limits,'" said one Moscow woman, who feels that rock is undermining the great Russian heritage of classical music and opera. "Now, unfortunately, we can't do that."

In France, Rising Anger Over Strike

PARIS — Irrate businessmen and shopkeepers occupied some electricity company offices Friday as France suffered continued transportation chaos and power cuts in the worst labor unrest in the public sector since 1968.

"It is time for everyone to listen to reason and put an end to the disorder created by some people," Prime Minister Jacques Chirac, who is also the mayor of Paris, said at a news conference.

As he spoke in an ornate Paris City Hall largely blacked out by a power cut, railroad workers throughout the country appeared divided over whether to continue a 23-day stoppage that had spread to the gas and electrical utilities and Paris's Metro and bus system.

First reports from meetings in deposits of the state-owned SNCF railroad system said engineers in Chamblay in the Alps and Rennes in western France had decided to return to work, while those in Marseille, Toulouse and Montpellier in the south had voted to stay away.

The leaders of the ruling conservative coalition's Rally for the Republic and Union for French Democracy called for a demonstration in Paris on Monday against the strikes and for "the right to work."

Mr. Chirac, grappling with his biggest challenge in nearly 10



Shopkeepers burning an effigy of Henri Krasocki, the head of the General Confederation of Labor, in an Electricite de France center in Paris. They broke in to protest power cuts.

months in office, denounced the strikes, which he said were "costing the nation dearly."

"Someone will eventually have to pay for them," he said.

The Communist Party, which has supported the extension of the train strike to other areas, said the call by the rightist parties was a provocation and a threat to the right to strike.

Power cuts throughout France resulting from the strike by employees of the state-run electricity company, Electricite de France, brought an outcry from industry leaders.

In Paris, angry citizens occupied

the Figalle electricity office in the Montmartre area in what they said was a "spontaneous protest" against unpredictable power cuts.

In Dieppe, 200 to 300 people demonstrated outside EDF offices, shouting their disapproval of the strikers' tactics.

An opinion poll to be published Saturday in Le Figaro's weekly magazine showed that Mr. Chirac's popularity had dropped 7 points, to 46 percent, since December.

In contrast, 58 percent of those questioned said they favored President Francois Mitterrand, who received a delegation of striking train drivers on New Year's Day. This

was a 2-percent rise in Mr. Mitterrand's popularity since December.

Crude Oil May Be Cut Off

The south European oil pipeline, which supplies West German, Swiss and French refineries, will stop pumping crude oil Monday if a strike at the port of Marseille continues, an official of the operating company was quoted by Agence France-Press as saying Friday.

The official, Philippe Audibert, said "the situation is very serious."

In the face of a strike by the administrative staff at the autonomous port, valves have remained closed and oil has not been unloaded from ships into storage tanks.

Early Winter Descends On Europe

LONDON — Eastern Europe, Scandinavia and the Soviet Union are experiencing the coldest early winter period in decades.

Moscow radio said Soviet citizens from the Arctic city of Murmansk to Yakutsk in Siberia braced themselves for more of the bitter cold that has gripped the Soviet Union. In Murmansk, stoves were lit to warm travelers waiting at bus stops and in Yakutsk, building work froze to a halt.

The discovery of a Polish farmer's body in a field in the province of Wloclawek in central Poland was the first fatality in the country's coldest winter since 1963.

Transportation has been disrupted and energy supplies have been strained.

In Moscow, where temperatures plunged Wednesday to minus 39 degrees centigrade (minus 38 degrees Fahrenheit), life appeared normal Friday but streets were emptier than usual.

The press agency Tass said the amount of fuel oil normally consumed at this time of year, about 16,000 metric tons a day, had almost doubled.

Western diplomats in Bucharest said winter had hit Romania with a vengeance, bringing blizzards and adding to food and energy shortages.

Romanian weather reports said temperatures plunged overnight Thursday to minus 22 degrees centigrade (minus 8 degrees Fahrenheit) and blizzards swept the east and northeast of the country.

Helsinki recorded a morning temperature Friday of minus 34 degrees centigrade (minus 30 degrees Fahrenheit), its coldest for at least 30 years, and Helsinki radio said flights were disrupted at the Helsinki airport.

Daniel Carney, 42, Dies; Wrote 'The Wild Geese'

HARARE, Zimbabwe — Daniel Carney, 42, best known for his book "The Wild Geese" about mercenaries in the 1960s Congo uprising, has died after a long illness, family friends said Friday.

Mr. Carney, who died Tuesday, had been suffering from cancer for more than two years, the friends said.

"The Wild Geese" was made into a movie starring Richard Burton as Colonel "Mad" Mike Hoare, the Congo mercenary leader who was released from prison in South Africa last year after being convicted of hijacking an Air-India jetliner following a coup attempt in the Seychelles.

Duncan Ross, 68, Professor of Drama

London to the Division of Drama at the University of Southern California, died Sunday of cancer.

Mr. Ross is credited with helping introduce the plays of Harold Pinter to England when he directed the Old Vic School from 1954 to 1961.

In 1962, Mr. Ross became professor of drama at the University of Washington in Seattle. Mr. Ross served as artistic director of the National School of Canada from 1965 through 1967. He joined the University of Southern California faculty in 1971.

Thomas J. Hamilton, 77, New York Times Reporter

NEW YORK (NYT) — Thomas J. Hamilton, 77, a New York Times correspondent for 35 years who was chief of the paper's United Nations bureau from 1946 to 1965, died Thursday of a heart attack at his home in Heritage Village in Southbury, Connecticut.

Mr. Hamilton headed the Madrid bureau of The Times from 1939 to 1941, the Bonn bureau from 1965 to 1967 and the Geneva bureau from 1967 until his retirement in 1972.

Other deaths: George R. Marek, 84, an author of books on music and a former record executive for RCA Victor, Wednesday in New York.

New Summit Rumored by Soviet Envoys

GENEVA — Soviet diplomats in Geneva said Friday that there could be an "informal" meeting in a neutral location this spring between President Ronald Reagan and Mikhail S. Gorbachev.

One Soviet diplomatic source said that "there is talk" of an informal summit meeting and that it was Washington that was suggesting an early encounter at a neutral site.

"This idea has come from Washington, and Geneva has been mentioned," he said. "It would be informal like at Reykjavik, and March or April are being talked about."

But Dan Howard, a White House spokesman, said in Washington, "I don't think there's anything to it at all." He said the United States was "still serious about having a summit," but added that "stories about feelers from us are feelers from them."

Mr. Reagan and Mr. Gorbachev met in Iceland on Oct. 12-13, but their talks collapsed over limitations on space-based missile defenses.

In Moscow, a senior Western diplomat said the Russians were spreading rumors about a possible new meeting, but there was nothing behind their talk of actual planning being under way for the meeting.

An official at the Geneva city hall, speaking privately, confirmed that Soviet diplomats had "been mentioning the possibility" of a summit meeting in the spring in Vienna, Helsinki or Geneva.

He said Vienna could "probably be excluded" because of the controversy over the alleged Nazi past of Austria's president, Kurt Waldheim, while Helsinki might be unacceptable to Washington because of its proximity to the Soviet border. "That leaves Geneva," he said.

U.S. officials in Geneva said they knew nothing about any possible new meeting.

Backer of Chinese Protests Disappears

BEIJING — A Chinese academic who sided with student demonstrators seems to have dropped out of sight, and student activists say they fear he may be expelled from the Communist Party.

Fang Lizhi, 50, an astrophysicist and vice president of the University of Science and Technology of China, became a hero for many student protesters in recent weeks because he questioned doctrinaire Marxism and advocated more democratic local elections.

The way the Communist Party deals with Mr. Fang may prove to be one of the first tests of how far the country's senior leader, Deng Xiaoping, will go with his reported vow to rid the party of members who have promoted Western democratic ideas.

With support from Mr. Fang, students in Hefei, the capital of Anhui Province, won a small victory when they persuaded officials to allow them to nominate their own candidates in an election held last month for a local people's congress, or legislature. One of the student candidates was elected.

Although focused on a narrow issue, the party democracy demonstrations in Hefei in early December became the first in a series that spread around the country.

According to a report Wednesday in a pro-Communist newspaper in Hong Kong, Mr. Deng called at a party meeting last month for the expulsion from the party of members who advocated "bourgeois liberalism," an expression generally used to describe Western-style democracy.

Several Beijing University students said Mr. Fang would be an obvious candidate for expulsion, given his high profile.

Japan's Kyodo news agency reported Thursday that Mr. Deng had urged party officials to expel Mr. Fang.

On Friday, the Beijing Daily newspaper said certain people in cultural, art, literary and theoretical circles should be held responsible for influencing protesters.

Warsaw To Invite Pope to Make His 3d Visit

WARSAW — Poland said Friday that it would invite Pope John Paul II to make a third official pilgrimage to his native country in June and said it is interested in establishing diplomatic ties with the Vatican.

Adam Lopatka, state minister in charge of religious affairs, said that General Wojciech Jaruzelski, the Polish leader, agreed to invite the pope during a meeting last month with Cardinal Jozef Glemp, Cardinal Glemp is the primate of the Roman Catholic Church in Poland.

Details of the visit, still to be formally announced by the church, are to be discussed when General Jaruzelski visits Rome next week. He is to visit from Monday to Wednesday, at the invitation of Prime Minister Bettino Craxi, for talks with Italian officials and an audience with the pope.

General Jaruzelski is to extend the invitation to the pope during his audience.

John Paul made previous official visits to Poland, a predominantly Catholic nation of 38 million, in 1979 and 1983.

In remarks carried by the government newspaper, Zycie Warszawy, Mr. Lopatka was quoted as telling a group of Warsaw students on Thursday that General Jaruzelski might raise the issue of establishing diplomatic ties with the Vatican.

"If the Holy See shows interest in such relations, then they will surely be started," he said. "It cannot be ruled out that something will occur in this matter in the near future."

Poland has not had diplomatic ties with the Vatican since the end of World War II, when it became a Communist nation. It only established "working contacts" with the Vatican in 1974.

Mr. Lopatka did not confirm or deny church disclosures of a draft plan outlining the papal visit that was released Thursday.

Warsaw To Invite Pope to Make His 3d Visit

WARSAW — Poland said Friday that it would invite Pope John Paul II to make a third official pilgrimage to his native country in June and said it is interested in establishing diplomatic ties with the Vatican.

Adam Lopatka, state minister in charge of religious affairs, said that General Wojciech Jaruzelski, the Polish leader, agreed to invite the pope during a meeting last month with Cardinal Jozef Glemp, Cardinal Glemp is the primate of the Roman Catholic Church in Poland.

Details of the visit, still to be formally announced by the church, are to be discussed when General Jaruzelski visits Rome next week. He is to visit from Monday to Wednesday, at the invitation of Prime Minister Bettino Craxi, for talks with Italian officials and an audience with the pope.

General Jaruzelski is to extend the invitation to the pope during his audience.

John Paul made previous official visits to Poland, a predominantly Catholic nation of 38 million, in 1979 and 1983.

In remarks carried by the government newspaper, Zycie Warszawy, Mr. Lopatka was quoted as telling a group of Warsaw students on Thursday that General Jaruzelski might raise the issue of establishing diplomatic ties with the Vatican.

"If the Holy See shows interest in such relations, then they will surely be started," he said. "It cannot be ruled out that something will occur in this matter in the near future."

Poland has not had diplomatic ties with the Vatican since the end of World War II, when it became a Communist nation. It only established "working contacts" with the Vatican in 1974.

Mr. Lopatka did not confirm or deny church disclosures of a draft plan outlining the papal visit that was released Thursday.

Church sources said the pope is to visit the country June 8-14 on a pilgrimage to eight cities, including the northern Baltic coast port of Gdansk, the birthplace of the outlawed Solidarity free trade union.

The sources said that one of the main outstanding questions is whether John Paul will be able to meet with Lech Walesa, the 1983 Nobel Peace Prize winner, who founded Solidarity.

"Without commenting on this information," Mr. Lopatka said, "I would like only to stress that talks on this subject are proceeding and it is probably too early to prejudge its outcome."

"I want to add that the government side has fulfilled its promise," he said, in the first official confirmation by the authorities that the pope was being invited to Poland.

The Reverend Roberto Tucci, president of Vatican Radio and chief organizer of the pope's foreign trips, arrived in Poland on Tuesday to begin mapping details of the visit, which is to be the most extensive of the pope's trips to Poland.

Warning of concern about terrorism, Mr. Lopatka said Polish and Vatican security services would review the routes to be taken by the pope.

"There are still fanatics, or simply idiots in this world as well as provocateurs and various accidents could occur," he said.

Separately, the police detained six dissidents in the southwest city of Wrocław on Friday to prevent them from organizing an anti-pollution march against the closure of an industrial plant, the leader of a local pacifist movement said.

WORLD BRIEFS

Salvador Union Urges Duarte to Quit

SAN SALVADOR (Reuters) — El Salvador's largest organization of workers and peasants has supported protests against President Jose Napoleón Duarte, calling for a new government of national unity.

The National Union of Salvadoran Workers, which claims a membership of 200,000, said Thursday that life was more difficult than ever for the poor because of the failure of economic policies of Mr. Duarte's Christian Democratic government.

Meanwhile, the country braced for a nationwide transportation blockade by leftist guerrillas, who said they would halt all traffic on highways outside San Salvador. Previous stoppages paralyzed the country. Six persons were killed, 36 were wounded and 25 vehicles were burned during a six-day blockade last month.

U.S. Envoy Assails Soviet Bureaucrats

MOSCOW (LAT) — The U.S. ambassador to Moscow, Arthur A. Hartman, complained Friday that Soviet bureaucrats were delaying others of their superiors by not giving an exit visa to a Soviet woman who is dying of cancer.

Mr. Hartman said Inna K. Meiman, 53, was "getting the run-around" despite assurances from Foreign Minister Eduard A. Shevardnadze that she would be able to leave the Soviet Union. Mr. Hartman said Mr. Shevardnadze made the promise to Gary Hart, the former Democratic senator from Colorado, during a recent visit. Inna Meiman and her husband, Naum, 76, have a daughter living in Colorado.

The ambassador said the case made him sympathetic with the Soviet leader, Mikhail S. Gorbachev, and other Politburo members who have complained about bureaucratic sabotage of their programs. Mr. Meiman, he said, was asked to get a document from the Ministry of Health to expedite his wife's departure. But when he got there, a doctor said he had been ordered not to issue the document.

18 Held in Alleged Uganda Coup Plot

KAMPALA, Uganda (UPI) — Ugandan security forces have arrested 18 persons in a suspected plot to overthrow the year-old government of President Yoweri Museveni, officials said Friday.

At least four of the 18 were formally charged with planning a coup, a crime punishable by death, officials said.

The sources said the 18 were arrested Tuesday in Kampala, the Ugandan capital, and included members of the Uganda Freedom Movement and the Federal Democratic Movement, two former guerrilla organizations that joined Mr. Museveni's coalition government last year.

Korean Dissidents Move to Heal Split

SEOUL (Reuters) — The dissident leaders Kim Dae Jung and Kim Yong Sam appeared ready Friday to end a serious split in South Korea's main opposition party over their accusation that the party's president was not providing leadership.

The Kims, the real power behind the New Korea Democratic Party, held conciliation talks with the party's president, Lee Min Woo. The two want him to stay in the post, their aides said. On Thursday, eight senior opposition members of parliament expressed support for Mr. Lee.

Mr. Lee offered Wednesday to resign after the Kims publicly accused him of mismanaging the party's fight for direct presidential elections as a prelude to full democracy. Mr. Lee hinted in December that his party would consider a proposal by the ruling Democratic Justice Party for a parliamentary government under a new constitution provided President Chun Doo Hwan allowed greater democracy.

Argentine Rights Groups File Charges

BUENOS AIRES (WP) — Argentine human rights groups have filed more than 1,000 criminal charges against about 650 people, including at least 98 retired generals and admirals, in an effort to initiate cases on rights violations before a Feb. 22 deadline set by President Raul Alfonsin and Congress.

Eleven rights groups said they had asked the armed forces' highest tribunal Thursday to take immediate action on the cases. Should it fail to do so, they said, the cases would pass to civil jurisdiction. Those accused included five active-duty generals and one serving admiral.

The law approved last month at the request of Mr. Alfonsin stipulates that security force personnel and others not called by a court to testify before Feb. 22 cannot be indicted after that date for crimes committed in the 1970s during the so-called "dirty war" against leftist guerrilla groups.

For the Record

Andrei D. Sakharov, the Soviet dissident, in an interview with the Voice of America, called Friday for an amnesty for prisoners of conscience in the Soviet Union. It was the first time VOA had interviewed a prominent dissident in the Soviet Union and broadcast it to Soviet citizens. (UPI)

Romanian exiles said that a dissident, Ion Puiu, who signed an East European rights declaration, had been arrested several times, threatened and beaten by the secret police. The World Union of Free Romanians issued a statement Friday in London about Mr. Puiu. (Reuters)

A teacher in Alma-Ata, Kazakhstan, was sentenced to five years in a labor camp for preparing "provocative" literature for students who staged two days of nationalistic riots in Kazakhstan last month, a newspaper arriving in Moscow on Friday said. (UPI)

CHURCH SERVICES

PARIS SUBURBS
EMMANUEL BARTH CHURCH, 56 Rue des Bore-Roberts, Rueil-Malmaison. English service, ecumenical, all denominations. S.S. 9.45. Worship 10.45. Other activities. Call Dr. R.C. Thomas, Pastor, (1) 47.49.15.29.

STOCKHOLM
IMMANUEL CHURCH, Kungälvsgatan, 4. Bigger. Int. Friendly Christian fellowship. English, Swedish & Korean. 11:00. Tel. (10) 151225, 316051.

CENTRAL HOLLAND
GOOD NEWS CHRISTIAN FELLOWSHIP, Leidschendam, English service, 6.5, 9.30. Worship 10.30. Call Pastor Jerry Colburn (03498) 4505 or 7442.

To place an advertisement in this section please contact:
Ms Elizabeth HERWOOD
181 Ave. Ch.-de-Gaulle,
92521 Neuilly Cedex, France.
Tel. 46-37.93.24.

Air Force To Allow Anti-Satellite



Air Force Asks Congress To Allow More Tests of Anti-Satellite Weapon

By John Cushman Jr.
New York Times Service

WASHINGTON — The U.S. Air Force is asking Congress for permission to conduct three tests of its jet-launched anti-satellite weapon against targets in space beginning in October, Pentagon officials have said.

Current law prohibits the military from testing the weapon against orbiting objects until October, and a member of Congress said Thursday that he would seek to extend the moratorium for another year.

But the air force, which says it has taken its test program as far as possible without new tests on real targets, will seek to resume the tests and to spend more than \$1.1 billion in 1988 and 1989 on research and production of the weapon.

Last year Congress refused to allow most work relating to production of the weapon, and cut the funds available for research while blocking tests against space objects in fiscal 1987, which ends Sept. 30.

In 1986, with a similar moratorium in place, the air force conducted two space tests by pointing the missile at the light of a star instead of at actual targets. In 1985, the air force conducted the only test to date against an actual target, destroying an old experimental satellite that was still in orbit.

The ASAT rocket is launched

from an F-15 jet flying at high altitude.

Members of Congress and others who favor the test moratorium have argued that as long as neither the United States nor the Soviet Union tests anti-satellite technologies, the arms race can be kept out of outer space. The Pentagon has said the Soviet Union already has an operational anti-satellite weapon and is conducting research into more advanced technologies for the same purpose.

Air force officials say that if the moratorium on tests continues, it might be pointless to continue the program.

While the air force hopes to resume the tests, it has already cut back sharply on the number of missiles it plans to buy. In all, the program is worth about \$3.8 billion. The number of missiles being purchased is classified, but was reduced by two-thirds last year, officials said.

Instead, the air force is beginning to look at ways to improve on the current technology, which uses a two-stage rocket to launch a guided warhead that collides with the target satellite.

Some of the money in next year's budget request will be used to look into new technologies, including some from the Strategic Defense Initiative program, that could be used to destroy satellites orbiting beyond the range of the present missile. These include ground-based laser weapons and missiles able to reach higher into space.

Representative Les AuCoin, a Democrat of Oregon who was the author of legislation imposing the test moratorium, said Thursday that he could not imagine Congress granting permission to conduct tests of the anti-satellite weapon against space objects or appropriating anything near the amount of money that is being sought.

"It is a ridiculous proposition," said Mr. AuCoin, a member of the defense subcommittee of the House Appropriations Committee. "It's like feeding a corpse."

He noted that the House had approved the test moratorium legislation by wide margins several times, and that it was the one arm control amendment out of several that passed the House last year to survive in a compromise bill worked out with the Senate, which at first had not imposed such a moratorium.

Mr. AuCoin said he would be willing to see the air force continue research into anti-satellite weapons on a modest scale, but that no tests of new technology against actual targets should be permitted.



Oliver Tambo, right, leader of the African National Congress, holding a cake on the 75th anniversary of the organization in Lusaka, Zambia. Others in the photo are unidentified.

U.S. Study Finds ANC Is Obligated To Moscow and Local Party for Arms

By Neil A. Lewis
New York Times Service

WASHINGTON — The State Department has said in a confidential report delivered to Congress that the African National Congress is deeply obligated to Moscow and the South African Communist Party for military assistance in waging guerrilla warfare against the Pretoria government.

But the report is ambiguous on whether communism or black nationalism is the predominant ideology in South African resistance politics and particularly in such groups as the African National Congress, the principal guerrilla organization seeking to topple South Africa's white-run government.

The 11-page study by the department, entitled "Communist Influence in South Africa," was prepared in response to a request from congressional conservatives angered over the enactment last year of economic sanctions against South Africa.

Such requests often become part of legislation, and the department similarly was obliged to provide a report demanded by congressional liberals as to the extent of malnutrition in the so-called black homelands within South Africa.

That report found widespread hunger in the homelands and an infant mortality rate sharply above that for whites in South Africa as well as higher than that of blacks living in such urban areas as Soweto, near Johannesburg. The homelands are supposedly autonomous black entities created by the South African government in rural areas within South Africa's boundaries, but they are not recog-

nized as independent by any government other than Pretoria. The State Department study relied on previously published data because U.S. policy forbids contact with the homeland authorities.

The State Department report comes a few weeks before Secretary of State George P. Shultz is scheduled to confer in Washington with Oliver Tambo, the head of the rebel group. Mr. Shultz is currently traveling in West Africa, where America's policy toward South Africa is a principal item in his discussions with African leaders.

Mr. Tambo is scheduled to deliver an address in Washington on Jan. 28 and meet with some congressional leaders. He is expected to confer with Mr. Shultz then.

The report portrays the South African Communist Party as having aligned itself with the popular rebel movement principally for opportunistic reasons.

"The South African Communist Party, banned since 1950, lacks a mass following but has exercised considerable influence through its alliance with the African National Congress," according to the study. "The SACP continues to view its historical alliance with the ANC as its main hope for winning power in South Africa."

The report added: "The ANC is deeply beholden to the SACP and the Soviet Union for the arms and training that made possible the upsurge in guerrilla activity that has boosted its prestige in South Africa in recent years."

"Dependence on Moscow for military assistance will continue to entrench party influence in the ANC and its strong representation in the ANC hierarchy."

The report also says there is considerable cross-membership between the rebel organization and the South African Communist Party. Noting that the congress's governing council consists of 30 people, the report says: "Roughly half the 30 members are known or suspected SACP members."

In a speech last month, Mr. Shultz said the Reagan administration was deeply concerned about the rebel group's "Communist connections and links to Moscow."

Managua Adopts Constitution; Delay of Provisions Expected

MANAGUA — Nicaragua adopted on Monday its first constitution since the Sandinist government came to power seven years ago.

The document is modeled largely on other Latin American constitutions and espouses political pluralism, a mixed economy, nonalignment and anti-imperialism.

But the constitution, known here as the "carta magna," is not expected to alter significantly the country's political life, dominated by the Sandinist National Liberation Front that led the 1979 revolution against General Anastasio Somoza.

The document, approved Nov. 19 by the National Constituent Assembly after two years of work, guarantees freedom of expression, prohibits imprisonment without court order and guarantees the right to strike.

Government officials have said that the ideals expressed in the document could be hard to practice while war continues against an estimated 15,000 guerrillas for whom the U.S. Congress recently approved \$100 million in military aid.

Most civil liberties in Nicaragua are severely curbed under state of emergency regulations imposed in 1985. The government has justified the measures, including press censorship and a ban on political rallies without government permission, by pointing to the military threat from the rebels.

The proclamation of the constitution coincided with widespread predictions that several of the articles concerning rights would have to be immediately suspended because of the state of emergency.

One hundred and fifty of the document's 202 articles can be suspended by the president "when the security of the nation, economic conditions or national catastrophe demand it."

Rafael Solis, vice president of the National Constituent Assembly, recently said, "We believe this constitution will only take full effect in the totality of its articles when the war is over."

The United States, which regards Nicaragua as a threat because of its ties to Cuba and the Soviet Union, has led opponents of the Sandinists in casting doubt upon the government's assurances it is interested in real political pluralism.

Some opposition politicians contend that the constitution will be used by the Sandinists to strengthen and legitimize their grip on power. "In it the currently existing totalitarian state is maintained," said Clemente Guido, leader of the Conservative Democratic Party,

which holds 14 seats in the 96-seat assembly.

He was one of three Conservative deputies who declined to sign the document, saying it gave too much power to the executive and did not separate party from state.

Mr. Guido also objected to an article naming the army as the "Popular Sandinist Army," saying the armed forces should not be identified with the governing party.

Critics also say that the constitution puts the election machinery in the hands of the governing party. The constitution says elections will be organized and directed by an election commission appointed by the National Constituent Assembly, in which the Sandinists hold 61 seats.

As a result, critics say, the Sandinist National Liberation Front is assured of having an electoral commission sympathetic to its views.

■ U.S. Trainees Return
The first group of Nicaraguan rebel commanders trained in Florida by the U.S. military has returned to Central America and training of a second group has begun. The New York Times reported from Washington.

At least 67 commanders from five guerrilla groups were trained for two months at a secret military site in Florida, according to several rebel officials. They said that special emphasis was given to the need for a more unified guerrilla movement as well as to basic military skills.

Rebel officials say the training covered four main areas: paramilitary help, explosives, military leadership and instruction on how to train new recruits.

American and rebel officials estimate that more than 300 commanders will be trained this year in the new Reagan administration effort to forge the rebels into a guerrilla army capable of challenging the Sandinists inside Nicaragua.

This comes as administration and congressional officials acknowledge that future American backing for the rebels, known as contras, is in grave doubt.

A U.S. official who helps oversee rebel operations said, "It's ironic, but five years of backing the contras has really come down to what we can do in the next five months."

Mr. Abrams, speaking to European journalists, said that political parties in their countries "are not doing enough" to support democratic opposition groups in Nicaragua. He said that European nations providing the Sandinists with humanitarian aid should "insist on democratization as the price."

If there is no compromise with domestic dissidents, Mr. Abrams said, "the people of Nicaragua will rise up, as they rose in 1979, to destroy this most recent dictatorship." That would be a "political-military victory" for the contras, whose military pressure continues to be necessary, he said.

Bennett Backed For House Post

WASHINGTON — Democratic leaders in the House of Representatives recommended Thursday the election of Representative Charles E. Bennett of Florida as chairman of the House Armed Services Committee.

Mr. Bennett, 76, is the most senior Democrat on the committee seeking the chairmanship, and the House Democratic Steering and Policy Committee's recommendation of him was considered almost inevitable because such endorsements are usually made on the basis of seniority.

Congressional officials said the main battle for the job is likely to be between Representative Marvin Latham of Texas, and the ousted chairman, Representative Les Aspin of Wisconsin. Most House Democrats consider Mr. Latham to be the front-runner in the race. House Democrats voted Wednesday to remove Mr. Aspin, who said he would remain in the race and seek re-election.

AMERICAN TOPICS



HANDS ON HANDS ON HIGH — Edward P. Schmidt, a clockmaker from Lee, Massachusetts, removing the hands from the clock in the Church of the Hill's steeple. Repairs to the 1899 clock are part of a restoration of the Lenox, Massachusetts, church.

Slot Machine Players Displace High Rollers

Once-lowly slot machine players have displaced heavy-gambling high rollers as the biggest total spenders in most of the 55 casinos and other gaming spots in Las Vegas, according to the Los Angeles Times.

Slot machines once were the place where gamblers parked their wives while they tended to more serious matters at the felt tables. But then Atlantic City, New Jersey, began to rival Las Vegas as the most popular American gaming resort. Airline deregulation led to the hub-and-spoke system of connecting flights, ending nonstop flights to Las Vegas from the East Coast.

There was more: California introduced Sunday horse racing and multimillion-dollar lotteries. And the federal government began requiring casinos to report any player whose betting had reached \$10,000 to the Internal Revenue Service.

Today, slot machines and video games have passed cards, dice and roulette in dollar volume, accounting for 54 percent of casino revenues. Profits have been upgraded accordingly, ranging up to \$5 million for a single pull of the handle.

Short Takes

Forty percent of Americans attend a church or synagogue in a

typical week, according to a Gallup poll. The figure has remained fairly constant since 1969 after declining from a postwar high of 49 percent in 1955 and 1958. The level of attendance is higher among women (46 percent) than men (33 percent). Nationally, 49 percent of Roman Catholics, 41 percent of Protestants and 20 percent of Jews attended. Southerners and Middle Westerners had the highest regional attendance and Westerners the lowest.

The overall public debt has topped \$10,000 per capita for the first time in history, the U.S. Commerce Department says. The debt in the 1985 fiscal year, which ended Sept. 30, 1986, was \$10,050 for every man, woman and child in the country, or \$1,233 higher than in 1984. This includes federal debt of \$7,650 per person, state debt of \$890 and local debt of \$1,510 for a truly grand total of \$10.45 billion.

Most police departments employ psychologists to weed out unsuitable job applicants before they are hired, trained and assigned a beat and a revolver. Susan Saxe-Cofford screens would-be police officers for three dozen law enforcement agencies in southern California. She conducts at least 50 evaluations a month to determine whether potential recruits are too power-hungry or too meek for police work. One unsuccessful appli-

cant told her: "I've never been able to hold onto a job. I'm going into police work to see if it will help me straighten out my life." Another said, "I've always wanted to be in a shoot-out."

Mushroom hunting has become so popular in the rain forests of Washington state, with logging and fishing jobs dwindling and wholesale mushroom prices reaching \$2 a pound (\$4.40 a kilogram), that officials say the state may become the first to license the right to pick mushrooms. Shipments out of state in 1984 of popular chanterelle mushrooms totaled 500 tons, a 25-fold increase from five years earlier.

Shorter Takes: After a decade of weather so wet that Great Salt Lake overflowed, an unusually dry fall and early winter may foreshadow a drought for Utah in 1988, weathermen say. • Hello is taking the place of mmd for women's wrestling matches in Middle Western states. One participant, going by the stage name of Dazzler, says, "It's a lot sexier, a lot sweeter, a lot clearer than mmd." • Bristol Cream is a rich, sweetened Oloroso sherry shipped from Spain and bottled in Bristol, England. A Washington, D.C., liquor store advertises "Bristol Cream," prompting one passerby to remark, "If I didn't use an electric razor, I'd be tempted."

—ARTHUR HIGGEE

Veterans Agency Fined In U.S. Radiation Case

By Robert Lindsey
New York Times Service

SAN FRANCISCO — Ruling that the Veterans Administration had unlawfully and "recklessly" destroyed thousands of documents it had been ordered to produce in a lawsuit by veterans charging that they were exposed to radiation, a U.S. judge has imposed about \$115,000 in penalties against the VA.

The U.S. District judge, Marilyn Hall Patel, also said Thursday that two VA employees who had destroyed a systematic effort to purge the files of potentially embarrassing documents at a hearing here last month had been threatened with reprisals "that may constitute criminal conduct, namely obstruction of justice and contempt of court." She ordered the agency to act to prevent harassment of employees.

In her ruling, Judge Patel said "there is significant circumstantial evidence" to show that officials of the agency started a conscious effort last summer expressly to purge their files of any documents that would be helpful to the veterans group in the litigation.

Not only were many documents destroyed, the judge said, but officials of the agency lied in denying the existence of two computerized filing systems of other materials of potential importance to the veterans' case.

Judge Patel ordered the Veterans Administration to establish an internal procedure that would guarantee access to its records and to withhold no more records unlawfully. She said she would appoint an overseer to evaluate the agency's plan and compliance.

Gene Cadien, a Justice Department lawyer who represented the Veterans Administration, told the court that allegations of harassment of one witness, Ronald E. Abrams, had been referred to investigators for possible prosecution. The lawyer declined to say whether the department would appeal the judge's ruling.

The unusual order imposing economic sanctions against a U.S. agency was handed down as a result of a lawsuit brought by a veterans group, the National Association of Radiation Survivors. The Civil War-era law that sets a \$10 limit on lawyers' fees in seeking veterans' benefits.

The organization said it represents thousands of veterans who were exposed to life-threatening doses of radiation while occupying Hiroshima and Nagasaki, Japan, where the first atomic bombs were exploded in 1945, and at subsequent nuclear tests after World War II. It contends that veterans need sophisticated and therefore costly legal help to press claims, which the Veterans Administration has denied, and that they suffered debilitating effects because of exposure to the radiation.

Judge Patel ordered the Veterans Administration to pay a sum equivalent to virtually all the legal fees and costs the veterans group incurred in seeking to gain access to the agency's records, plus \$15,000 that will be placed in a fund used

for the payment of lawyer-attorneys at the U.S. District Court here. A trial is scheduled to begin here Sept. 1 at which the veterans group will try to prove that the \$10 limit should be invalidated.



2 for 1

Worldwide subscription rates offer discounts of up to 50% off the newsstand price depending on country of residence. Miami printing makes the global newspaper available day-of-publication in the Americas—just as in Europe and Asia.

In European countries, new subscribers receive an additional two weeks free for each three months they subscribe.

EUROPE	1 year			3 mos.			1 year			3 mos.			
	US\$	DM	£	US\$	DM	£	US\$	DM	£	US\$	DM	£	
Austria	AS\$ 4,800	2,600	1,450	Australia (incl. NZ)	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Belgium	BF 10,700	5,800	3,200	Benelux (incl. Lux)	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Denmark	DKR 2,300	1,250	690	France	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Finland	FM 1,650	880	490	Germany	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
France	FF 1,400	750	420	Greece	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Germany	DM 560	300	170	Hong Kong	HK\$ 1,025	575	320	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Great Britain	£ 220	125	65	India	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Greenland	DKR 20,000	11,000	6,000	Indonesia	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Ireland	IR£ 684	340	190	Japan	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Italy	Lira 250,000	130,000	70,000	Malaysia	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Luxembourg	LF 10,700	5,800	3,200	Nepal	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Norway	NKR 1,650	880	490	Netherlands	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Portugal	Esc 19,000	10,400	5,700	Philippines	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Spain	Ptas 24,500	13,400	7,400	Singapore	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Sweden	Skr 1,700	920	500	Sri Lanka	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Switzerland	Sfr 600	320	180	Taiwan	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Rest of Europe, North Africa, Middle East	\$ 400	220	120	Thailand	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150
Rest of Africa, Gulf States	\$ 250	130	70	US Terr.	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150	US\$ 3,800	2,100	1,150

To Subscription Manager
For Latin America/Caribbean: IHT Florida Inc., 1000 Brickell Ave., Suite 1260, Miami, FL 33131, USA.
For North America: IHT Inc., 850 Third Ave., New York, NY 10022, USA.
For Europe: IHT, 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France.
For Asia: IHT, 7/F Malayan Bldg., 50 Gloucester Road, Hong Kong.
IHT, 138 Cecil Street, 07-02 Cecil Court, Singapore 0104.

Please enter my subscription for: 1 year 6 months 3 months
 My check is enclosed Please charge my credit card account.
 Access Eurocard Amex MasterCard Diners Visa

Card account number: _____
Signature: _____
Name: _____
Address: _____
City/Country: _____
10-1-87

Herald Tribune

Published With The New York Times and The Washington Post

Ideas for a Latin Opening

There is a small new flare of diplomacy in Central America. Some of the Latin democracies, expecting a military surge in Nicaragua as the contras received fresh U.S. aid, have sought to head off the surge by reviving the Contadora peace talks. These talks have been in limbo since the United States pronounced them dead last summer and unacceptably favorable to the Sandinistas. At the same time, Costa Rica, no powerhouse but a decent democratic country fearful of being drawn into the fire, is advancing an initiative to get all the world's democracies to shake a finger at Managua.

Is any of this for real? A deep gulf remains between the Sandinistas, who wish to consolidate power on their Marxist terms, and the United States, which is working through the contras to restore democracy to Nicaragua and to break the Sandinistas' Cuban and Soviet ties. Neither in Managua nor in Washington is flexibility visible. The Nicaraguan government seems determined to stave off the new military challenge of the contras, and the U.S. government seems equally determined to stave off the new political challenge of the Democrats.

Still, it would be unforfeitable for any reasonable negotiating opening not to be explored. There may be one. Though the Organization of American States is sid-

lined by internal divisions, its secretary-general, João Clemente Baes Soares, has joined an effort to revive Contadora. The United States has formally complained about the Brazilian diplomat's role. But why complain? The problem is not that the United States gets publicity because of its complaining; it can live with that. The point is, why not try to use the horsepower added by Mr. Soares (and by his fellow Contadora recruit, UN Secretary-General Javier Pérez de Cuéllar) to explore some of the new ideas floating around? Such as the idea of making the next mayoral elections in Nicaragua a test of the Sandinistas' avowed, if dubious, taste for pluralism.

All of the Latins except those most dependent on the United States say there is a better chance of raising in the Sandinistas political involvement than by military assault. They may be fooling themselves, but the prevalence and political roots of this view leave the U.S. government pretty much isolated in its commitment to a contra enterprise leading both military and political credibility in most Latin eyes. The American choice has always been between two different sorts of chances. The diplomatic chance at least offers the United States good Latin democratic company.

—THE WASHINGTON POST.

Right Man for the CIA

The sad truth about Washington's chief collector of secrets is no longer a secret. There seems to be no chance that William Casey, the director of central intelligence, can recover sufficiently from a cancer operation to resume his duties. Already the capital buzzes with speculation about who should succeed him. But in order to get the right man, there has to be a lot more thinking about how to make the choice.

The country has gone through enough turmoil involving the CIA. Mr. Casey's departure provides the chance to step back and consider the criteria for appointment. Should the next DCI, as the incumbent is known, be a career intelligence officer, someone who knows the business and is detached from politics? Or should the next director be a close associate of the president, someone whose access to the Oval Office can open ears to the CIA's expertise?

The Casey example forms a strong argument that presidents and Congress should push hard for nonpolitical directors.

The DCI heads not only the CIA but the whole intelligence community, 100,000 people, with a budget in the billions. It includes the National Security Agency, which deals with communications, the National Reconnaissance Office, which manages spy satellites, and various Pentagon operations. There is no real problem with collection of information. People on the right and the left favor continued upgrading of these capabilities. The difficulties center on covert operations like the "secret" wars in Nicaragua and Afghanistan and the analyses of these wars and other events.

The director plays a pivotal role in both these activities. Is he becoming an advocate for clandestine military action instead of offering a cool, professional evaluation? Is he distorting CIA analyses to make the operations look good and to fit policy instead of providing independent judgments?

These are the questions that have been asked about Mr. Casey. He deserves high marks for reinvigorating the agency. But suspicions of partisanship followed him everywhere. He was Mr. Reagan's 1980 campaign manager, and the president broke all precedent by making him DCI. Mr. Casey did not restrict himself to providing intelligence but became a strong policy advocate, particularly of covert actions.

The DCI's first task is to provide the president with reliable information, not to become a cheerleader or an apologist. Having a political pal of the president as director raises doubts about the analyses and the information, even if the doubts are unfounded. It clouds the integrity of the agency. At the same time, a careerist risks being too much a company man.

The DCI, after Senate confirmation, serves at the president's pleasure. It would probably be preferable that the director be thought of in the same way as the director of the FBI—Republican or Democrat, but neither a crony nor a strong partisan or policy advocate. The ideal candidate would be familiar with the intelligence business, but not a careerist; it would be someone who could serve a president of either party.

The FBI director is also limited to one 10-year term. That model might be right for the director of central intelligence, though the job carries so much veiled power that a shorter term, say six years, might be better.

Meanwhile, with or without congressional guidelines, the president must soon pick a successor. It would be easy to choose a political ally from the Senate or a caretaker professional from the CIA. It would be farsighted to name a person outside partisan politics and above the intelligence bureaucracy. Here is the test: Is the candidate someone whom the next president would be pleased to keep on the job?

—THE NEW YORK TIMES.

Learning to Produce

During the past two centuries, in all of the world's rich countries, labor has been moving out of agriculture into industry. Food production has not fallen because farmers' productivity has steadily risen. It has freed people for other kinds of work, making these economies grow and raising everybody's standard of living.

Now the same process is overtaking manufacturing. Within the past decade or so, in most of the industrial countries, employment in manufacturing has been falling. But with only one exception, Britain, manufacturing output has continued to rise in the industrial democracies. Productivity is increasing, and labor is shifting from factories to services. It will be useful to keep this process in mind when legislation on competitiveness and trade protection begins to move through Congress. People in Congress often talk as if the number of jobs in manufacturing were the true measure of industrial strength. That is wrong. As factories learn to produce more goods with fewer people, prosperity rises.

But there are sharp variations from one country to another. The U.S. Labor Department has just published figures on manufacturing productivity through 1985 for most of the advanced countries. To see what is happening, it helps to compare national performance once over a fairly long

time—say, the dozen years beginning in 1973, when the long postwar boom ended. During those years the fastest gains in manufacturing productivity were made not in Japan but in Belgium, where it doubled; in Japan jobs there fell by more than a third, while output rose 20 percent. Japan's productivity gain was nearly as great, and since manufacturing jobs there held steady, output nearly doubled as well. The poorest performance in manufacturing productivity, among the major countries, was Canada's; having fallen into the habit of depending on its natural resources to generate its wealth, Canada has been careless about industrial efficiency. That carelessness has made its record even worse than that of the United States, the runner-up for last place. But in both countries, productivity (in manufacturing, although not in services) has picked up in the past several years. Could that signal a new and healthier trend?

Maybe. Take a second look at Britain, which reached its peak year for manufacturing employment in 1966. Its factory output is lower now than it was in 1973. But since 1980, productivity in manufacturing there has been rising at a rate approaching Belgium's and Japan's. With enough determination, it seems, sudden and dramatic changes are possible even for the legendarily slow.

—THE WASHINGTON POST.

Other Comment

Spill a Little Sweetness

Trans-Atlantic economic conflict is receding with increasing ferocity. The latest dispute arises from threatened U.S. exports to Spain worth £340 million (\$500 million) a year. The row may yet be resolved before the Feb. 1 deadline for a U.S. retaliatory

strike against EC commodities. If not, the EC is threatening its own retaliation, which could touch off an orgy of commercial violence between the allies. Both sides, but Washington especially, should allow political and military friendship to spill a little sweetness into [their] commercial relations.

—The Independent (London).

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OHSZ SULZBERGER Co-Chairmen

LEE W. HUEBNER, Publisher

PHILIP FOISIE, Executive Editor • WALTER WELLS, Editor • SAMUEL ABT, KATHERINE KNORR, and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONARUE, Editor of the Editorial Pages

RENE BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISONS, Circulation Director • ROLF D. KRANEFUELL, Advertising Sales Director • International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92300 Nanterre-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 612832; Editorial, 612718; Production, 630698.

Director of the publications: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 011, Tel: 472-7888. Telex: RS29028

Managing Dir. Asia: Malcolm Glenn, 50 Gloucester Road, Hong Kong, Tel: 286-4802. Telex: 262020

Gen. Mgr. W. Germany: W. Lautbach, Friedrichstr. 15, 10000 Frankfurt, Tel: (069) 726753. Telex: 416721

S.A. in capital of 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1987, International Herald Tribune. All rights reserved. ISSN: 0244-8032.

U.S. Diplomacy Can Be Revived

By William Pfaff

PARIS—"It is important to send the message that we're not dead in the water," a senior State Department officer said recently, as trips to the Middle East and Eastern Europe were set up for the U.S. officials responsible for those areas, and Secretary of State George Shultz set out for Africa. But alas, American diplomacy is dead, stone dead, in the water. The absurd adventure in Iran, like contrageats, was what had to happen when energetic but politically callow officers were left in charge of a foreign policy apparatus with no serious ideas behind it.

It is not too late, though, for this administration to pull itself together

and accomplish something in the two years that remain to it. Significant changes are taking place in the Soviet Union. There is a possibility, at least, of real improvement in East-West relations. The trade crisis with Europe and Japan cries out for high-minded and dispassionate attention.

The Soviet Union is talking seriously about getting out of Afghanistan. Naturally Moscow wants to get out and to win at the same time. So did the United States in Vietnam. The United States finally resorted to the saving hypocrisy of declaring that it had won while abandoning its client to defeat. Conceivably the Soviet government, never known to lack re-

The administration must bury its past mistakes and try to do something serious now.

alism, will find a way to do the same. The United States and Pakistan have every interest in helping it do so.

The Reykjavik summit meeting ended with President Reagan's insouciant utopianism defeated by a hair's-breadth. Some American officials insist that major arms agreements even now are blocked only by technicalities, and the lack of will to overcome those technicalities.

How, for example, is a "laboratory" to be defined, as in the "laboratory testing" of space defense systems? Does a laboratory have to have a roof over it? Can there be a "laboratory test" outside a laboratory? This is the kind of problem diplomats were invented to solve, if the political will to a solution existed. Does it exist in Washington? Can Mr. Reagan be persuaded to impose his will?

The Middle East is in a dreadful state. The United States is the one country involved there that is in a position to do something. Jerusalem, Amman, Cairo, Damascus and the Palestinian factions all, for different reasons, are incapable of initiative.

A Reagan administration foreign policy could be resurrected. There is no lack of things to do. Professionals in the State Department know what needs doing. The secretary of state could tomorrow take to the president a list of problems the United States might constructively and profitably address over the next two years. He could appeal to Mr. Reagan's idealism, his desire to be thought well of by history. Surely the president might be persuaded that the only way his administration will end well is by burying its past mistakes and trying to do something serious now.

It is a weakness of the American



Drawing by Schickman.

system that everything depends on the president as an individual. In Britain, the cabinet as a whole bears responsibility for government, and its members can, and must, act on their own authority if the prime minister fails. This is not the case for the American cabinet. Its members cannot act without the president, and Mr. Reagan, in difficulty, is known to back away from action.

But those who have accepted cabinet office have accepted the moral responsibilities of power. The members of Mr. Reagan's cabinet, Mr. Shultz in particular, are better placed than anyone to save the president, his administration, and with that, salvage something of the abused reputation of the nation.

International Herald Tribune
© Los Angeles Times Syndicate.

The Oil Glut Brings On Amnesia

By Charles K. Ehinger

WASHINGTON—In 1986, the United States and much of the rest of the industrialized world forgot the energy lessons of the 1970s. With the prices of gasoline and home-heating fuel at the lowest levels in 13 years, and with an administration espousing the wisdom of the marketplace, consumers and the government have been lulled into complacency.

This cavalier attitude has begun to unravel the efforts of three presidents—Richard Nixon, Gerald Ford and Jimmy Carter—to ensure the nation's long-term energy security. The goal of the now-defunct Synthetic Fuels Corp. to produce two million barrels a day of alternative fuels by 1990 is only a memory. The solar industry is reeling. Conservation credits have expired, and automakers have led the charge to roll back fuel-efficiency standards. President Reagan reportedly favors rescinding the 55-mpg (90-kph) speed limit.

How short Americans' memories are of the gasoline lines of 1973 and 1979, the devastation of once-great basic industries, and the danger of depending on the politically volatile Middle East for much of their oil.

Unless the United States rapidly reverses course, it will depend on oil imports for more than 50 percent of its consumption within four years. The 1975 and 1979 oil shocks dramatized one vital fact: America cannot base its future on oil. Nearly half the energy used nationally in 1979 was oil, and more than 43 percent of that amount had to be imported. Americans realized they had to cut back on burning oil when other energy sources could do the job, and rely more on abundant domestic sources, especially coal and uranium.

Both lessons were undone in 1986. Oil imports are up nearly one million barrels per day, to levels equivalent to those of 1973. Natural gas reserves will fall precipitously this year. In two-thirds of American oil and natural-gas contract drilling companies have gone bankrupt. Domestic oil production has plummeted by half a million barrels per day. If American remains on this path, the question is not whether they will face another energy crisis, but when.

Consider the developments of 1986 that led Americans astray:

First, the so-called good news about prices. The Organization of Petroleum Exporting Countries essentially disintegrated as a price-setting mechanism, and the price of oil dropped from \$30 to about \$8 before it began inching back up. Most U.S. citizens revel in their good fortune, but thousands of others dependent on the oil industry lost their jobs, homes and faith in the American dream. Oil imports are soaring while Americans are puzzling cheap energy.

Second, the accident at the Chernobyl nuclear reactors. Although Chernobyl's technology has virtually nothing in common with those of most American nuclear plants (at a meeting in Vienna, the head of the Soviet nuclear-power program said he doubted a similar accident could occur in any U.S. reactor), the accident frightened many American politicians. This is making it even more difficult to bolster the country's capacity for generating nuclear energy, which along with coal, is its best bet for replacing imported oil.

Third, the Reagan administration's deep cutback in funds for developing "renewable" technologies. Funds for solar power and other new technologies, as well as tax credits for their use, have been cut to the bone. During his presidential campaign, Mr. Reagan attacked his rivals with the phrase, "There you go again!" It is the Reagan administration, sadly, that is encouraging policies that threaten U.S. national security.

In the late 1970s, the United States was looking beyond the age of abundant oil. It was significantly increasing the amount of electricity generated by coal and nuclear energy, developing new technologies and promoting conservation.

Today, the nation is curtailing development of new energy sources, adding still more obstacles to the additional use of nuclear power and rapidly increasing its dependence on oil and the Middle East.

Future historians may have a difficult time trying to explain why America reversed course. The events of 1986 may receive much of the blame, but the real fault lies with those who do not remember the lessons of 1973 and 1979 and are unwilling to plan for the global crisis that lies ahead.

The writer is director of the energy and strategic resources program at the Center for Strategic and International Studies at Georgetown University. He contributed this to The New York Times.

Don't Throw Out the Budget With the Bathwater

By David S. Broder

WASHINGTON—When "everybody" in Washington is saying the same thing, it pays to be skeptical. This trendy capital's political mood swings are so exaggerated that it often makes sense to question the conventional wisdom.

So when almost everybody, from Senator Bob Dole of Kansas, a Republican, to Senator Howard Metzenbaum, an Ohio Democrat, said that the budget submitted last week by President Reagan is not worth the paper it's printed on, it crossed my mind that, as Sports Illustrated's liberal think tank, said that some of his colleagues believed that "the effort to sell a portfolio of government loans," part of the privatization initiative, "has the important merit of revealing the market price for what is now a hidden subsidy."

And Ms. Rivlin, who is no right-winger, comments that selling off Amtrak's railroad operations in the Northeast corridor "is not a terrible idea in my view, if we can find a

Congress have jumped in to say, "Here's at least one issue where Reagan is right."

As might be expected, Stuart Butler of the conservative Heritage Foundation thinks Mr. Reagan's "privatization" initiatives are "a very important idea." Selling some public agencies represents a way of "reducing the size of government without ending a service," he said.

More surprisingly, William Gordon, head of the Urban Institute, a liberal think tank, said that some of his colleagues believed that "the effort to sell a portfolio of government loans," part of the privatization initiative, "has the important merit of revealing the market price for what is now a hidden subsidy."

And Ms. Rivlin, who is no right-winger, comments that selling off Amtrak's railroad operations in the Northeast corridor "is not a terrible idea in my view, if we can find a

buyer. There's no reason why the federal government should be running a passenger system."

Robert Reichbauer, another economist at the Brookings Institution, applauds as "long overdue" the effort to find "major savings in the farm price-support programs. Both liberals and conservatives can see the necessity for that."

And in the face of loud squawks from local officials, Mr. Reichbauer also said that Mr. Reagan is right in "phasing out the Economic Development Administration, the Appalachian Regional Development program and Urban Development Action Grants. They are some of the least effective programs we have, and if we admit we're in a budget crisis, we have to reduce some spending to meet the deficit targets and make room for initiatives that are worthwhile."

To my surprise, Robert Green-

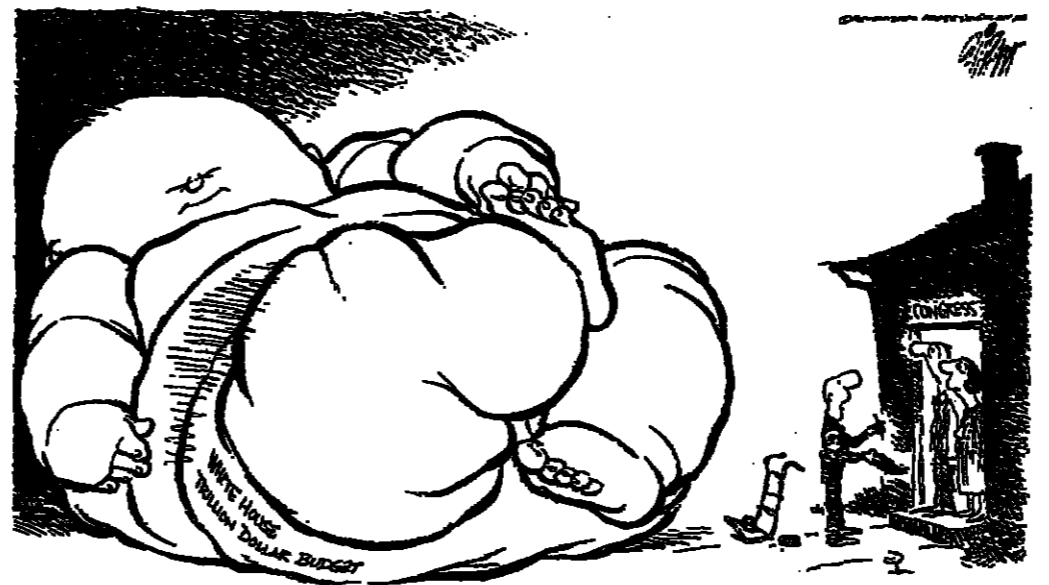
stein, whose Center on Budget and Policy Priorities is the source of many liberal critiques of Mr. Reagan's fiscal policy, conceded that whatever its overall deficiencies, the administration budget has some "things that are good and useful."

"I was pleased," he said, "that Bill Brock," the U.S. secretary of labor, "was able to get in a substantial increase in money for a new initiative on retraining and assisting displaced workers" in older industries hard-pressed by new technologies or foreign producers.

Almost every one of the budget experts I interviewed had large or small reservations about other parts of the Reagan blueprint. But they were saying, "Don't throw out the baby with the bathwater."

Washington tends to dismiss any ideas that come from a politician or president who is in trouble. Mr. Reagan has had serious reverses. But not all his ideas are dumb.

The Washington Post.



The surrogate mother sent it over for your approval. The surrogate mother says it is now your responsibility anyway, and he does not want it back. Sign here.

The Pardon as an Index of Tyranny

By Charles Kranthammer

WASHINGTON—In 1982, Albania held an election that Enver Hoxha, the Communist Party chief, won by 1,627,959 votes to 1. A decade later, it is still a key to what political philosophers had long been seeking: a reliable tyranny index.

The Tirana Index, named after Albania's capital, holds that repressiveness correlates with electoral success. The higher the score rolled up by the ruling party in elections, the more tyrannous the regime. At one end of the spectrum are places like Albania, the Soviet Union and Syria, where 99 percent of the vote is the norm.

At the other end are freewheeling semi-anarchies, like Italy, where it is unsafe to drive and where the ruling party never gets half the vote.

In between lie orderly democracies like the United States (winning margins of 60 percent, tops) and moderate democracies like Mexico that will breach 70 but not much more for fear of embarrassment to all concerned.

A few weeks ago, the Tirana Index met yet another challenge. In the midst of a severe food and energy shortage, Romania held a referendum. The result: 17,699,772 Romanians voted yes, no one voted no. A shutout. A perennial contender for the honor of the most repressive regime on earth (in Romania, all typewriters must be registered with the police) had conducted what may be the most perfect election yet.

The Tirana Index is a proven instrument. But even over the holidays, particularly if you are the one being pardoned, and particularly if, like the Sakharovs and Mr. Corné, you are innocent. As for Mr. Hassenfus, he can be considered either a criminal or a prisoner of war, depending on whether or not you believe he qualifies as a combatant in a civil war.

It makes of freedom a legal indulgence, an act of serendipity.

But in terms of politics or justice, the pardon is a fraud. "In all supremacy of power," said a 17th-century philosopher, "there is inherent a prerogative to pardon." The reverse is equally true: In all prerogative to pardon, there is inherent the supremacy of power. The logic of the pardon is that justice is a gift to be dispensed by power. It makes of freedom a legal indulgence, a grant, an act of serendipity. What is intended as a show of humanity is often a mere show of cynicism, a display of arbitrary power (why clemency for A, and not for B?) for political ends.

Consider the manner in which the Soviets announced Mr. Sakharov's release. It betrayed the gesture's true purpose, which was to impress not Russians, but Westerners. The announcement on the Sakharovs came first from the Soviet Foreign Ministry. It is as if George Shultz, the U.S. secretary of state, were to announce clemency for a convicted murderer.

The free exercise of speech subsequently permitted to Mr. Sakharov has been similarly one-sided. He has appeared all over American television. He has yet to play Moscow.

In democracies, the pardon should be used sparingly, not for dispensing clemency but for righting obvious miscarriages of justice that are otherwise irreparable. Only in the rarest of occasions should it be used in the workings of ordinary justice. Free countries have another mechanism for dealing with that. It is called law.

The promiscuous dispensation of clemency is not a sign of political liberality, but one of those identifying marks of tyranny—like winning an election with a perfect score.

Washington Post Writers Group.

LETTER

Always a Sucker

Regarding the opinion column "UNICEF: Where's the Phoiness?" (Dec. 23) by Stephen S. Rosenfeld:

I do not understand the author's comment about "the exploitable (but previously ill-exploited) fact that people are suckers for kids." It was well-exploited in the 1940s: When UNICEF's chief shipping officer in Paris was seeking a low price for transporting a large amount of cod liver oil, he would start talking about the kids. Always good for another 10-percent reduction, he would say.

A.L. MALAKOFF, Lancy, Switzerland.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Germany to Vote

BERLIN—The impression is taking root that the Government's "English peril" maneuver is making greater headway than was anticipated. Experts who a fortnight ago were predicting sweeping Socialist gains (in the Reichstag) have now toned down their estimates and are talking of "Red" victories in only 78 instead of 100 or 120 constituencies. The effect of the Government's decision is indicated in the Bismarckian "Hamburger Nachrichten," which welcomes new armaments because: "The clash with England is only a question of time. We must therefore prepare accordingly." It is announced that 1,423 candidates have been nominated in the Empire's 377 constituencies. According to the "Germania," the second ballots in the general election will take place on Jan. 22 following the first ballots on Jan. 12.

1937: 'Now or Never'

MADRID—Hammering away at the western suburbs to the slogan "Madrid must be ours now or never," the Nationalist troops broke down the formidable resistance of the Reds in the Casa del Campo and the University City [on Jan. 9] and came within gunshot distance of the first houses of the capital. It was the sixth day of the furthest offensive launched against Madrid, into which General Francisco Franco has thrown the pick of his men, heavy guns, tanks and airplanes. After some of the most desperate fighting in the whole civil war, the Nationalists continued their advance from Las Rozas, capturing the inner suburbs of Aravaca, and storming the barricades on the western and northern outskirts of Madrid. Meanwhile, the city was subjected to almost continuous bombardment from the air.

ARTS / LEISURE

The Sistine: Paradise Restored?

By Mary Davis Suro
New York Times Service

ROME — In the six years since Gianluigi Colalucci began climbing the scaffolding in the Sistine Chapel to work face to face with the powerful images of Michelangelo's frescoed ceiling, his hair has changed from brown with some gray to almost entirely white. And his face, which until recently generated a certain spontaneous pride and enthusiasm when he spoke of his position as the chief of the Vatican's program to restore more than 16,700 square feet (1,536 square meters) of Renaissance frescoes, now can quickly turn defensive and hostile.

With about half of the restoration work behind him, and Colalucci's attention turning toward the cleaning of the highly complex "Fall and the Expulsion," the Vatican has been beset by criticism from both home and abroad. Colalucci admits that the criticism has produced a change in his feelings about the project.

The first complaints, primarily from artists, did not get much attention, but in recent months the project has become the subject of heated debate here.

The Italian Communist Party newspaper L'Unità recently ran a story about Colalucci's work under the headlines "Restoro assassinio" (Restoration Assassin?). The Vatican's indirect reply came at a conference on restoration held by Italy's National Research Council in early November. At the conference Colalucci and Fabrizio Mancinelli, curator for Byzantine, medieval and modern art at the Vatican Museums, explained the safeguards built into the restoration effort. The standing-room-only crowd of scholars, technicians and officials applauded loudly, repeatedly. For Colalucci this was a sign that despite the increasing dissent in some quarters, his project still has broad support.

Praise greeted the first phases of the 12-year project, which aims at cleaning away the centuries of dust, soot and grease that have accumulated on the surface of Michelangelo's masterpiece. The effort was undertaken partly because Vatican restorers were concerned that the ceiling was suffering from water damage and peeling paint in some places. However, they also realized a cleaning could substantially enhance the appearance of the frescoes. And although some scholars might have found it difficult to reconcile the brilliant colors of the newly cleaned frescoes with the traditional conception of a Michelangelo who favored a form and line over color, almost no one initially questioned the integrity of the project.

Complaints from recent opponents are as diverse as the theories on how Michelangelo painted. One critic argues that the restorers may be removing a layer of brushstrokes that the painter applied a secco, after the wet paint on wet plaster had dried. Another critic charges that Michelangelo might have used candle soot and animal fat to create murky shadows on his frescoes.

The objections generally focus on two points: whether Michelangelo's work is being altered by the cleaning solvent, and

whether the frescoes are being exposed to damage after the cleaning.

"I feel a general anxiety," said Colalucci, 57, who attended Rome's Institute for Restoration and has been working at the Vatican since 1960. "There is nothing in particular that I worry about, but still the mood is very heavy. It's a shame too. We're beginning work on a picture that is extraordinarily beautiful and at the highest technical level. This should be exciting but instead I'm worried."

One of Colalucci's worries these days is James Beck, the chairman of the department of art history and archaeology at Columbia University and a scholar of Renaissance art. In an article in the October issue of Arts magazine, Beck raised a warning about the long-term effects of the restoration. "Would it not be safer and sounder to wait, even as long as a generation, if necessary," he wrote, "to a time when the techniques are in such a state that even the most subtle applications



Detail from "The Expulsion."

of substances that Michelangelo may have applied himself to unify and consolidate the work could be preserved, if indeed there are any? What is the hurry anyway; no one has claimed that the frescoes are in imminent danger."

Beck, who states that "until quite recently I counted myself among those favorably impressed with the enterprise," writes that he became alarmed when he saw Raphael's "Isaiah" in Rome's Sant'Agostino Church and the 14th-century frescoes — not by Michelangelo — on the side walls of the Sistine Chapel that had been restored less than 10 years ago. Recalling that when he had seen them immediately after restoration, these paintings had seemed fresh and vivid, Beck said that they now seemed "undistinguished and flat."

Beck's dissent has had an impact at the Vatican for several reasons. For one, none of the other critics enjoy Beck's academic cre-

dentials. Also, the New York-based Patrons of the Arts in the Vatican Museums and other similar organizations in the United States provide highly valued support, according to museum officials. Despite the fact that Italian art scholars have expressed far more caustic criticism of the restoration, Beck's critique seems to have affected Colalucci the most because it comes from an early enthusiast and a respected colleague.

"All of the people who supported us at first still support us," said Colalucci, then referring to Beck as "Favico penitito," the only one who has repented. Beck, however, notes in his article that he is not alone, and that others have issued warnings similar to his. Colalucci argues that while Beck can voice opinions based on subjective observations, "All I can do is present the facts. And these facts are based on the hundreds of individual analyses and photographs examining the frescoes and the layers of material that have accumulated on top of them. This, plus my daily exposure to the frescoes for the past six years, is what I rely on."

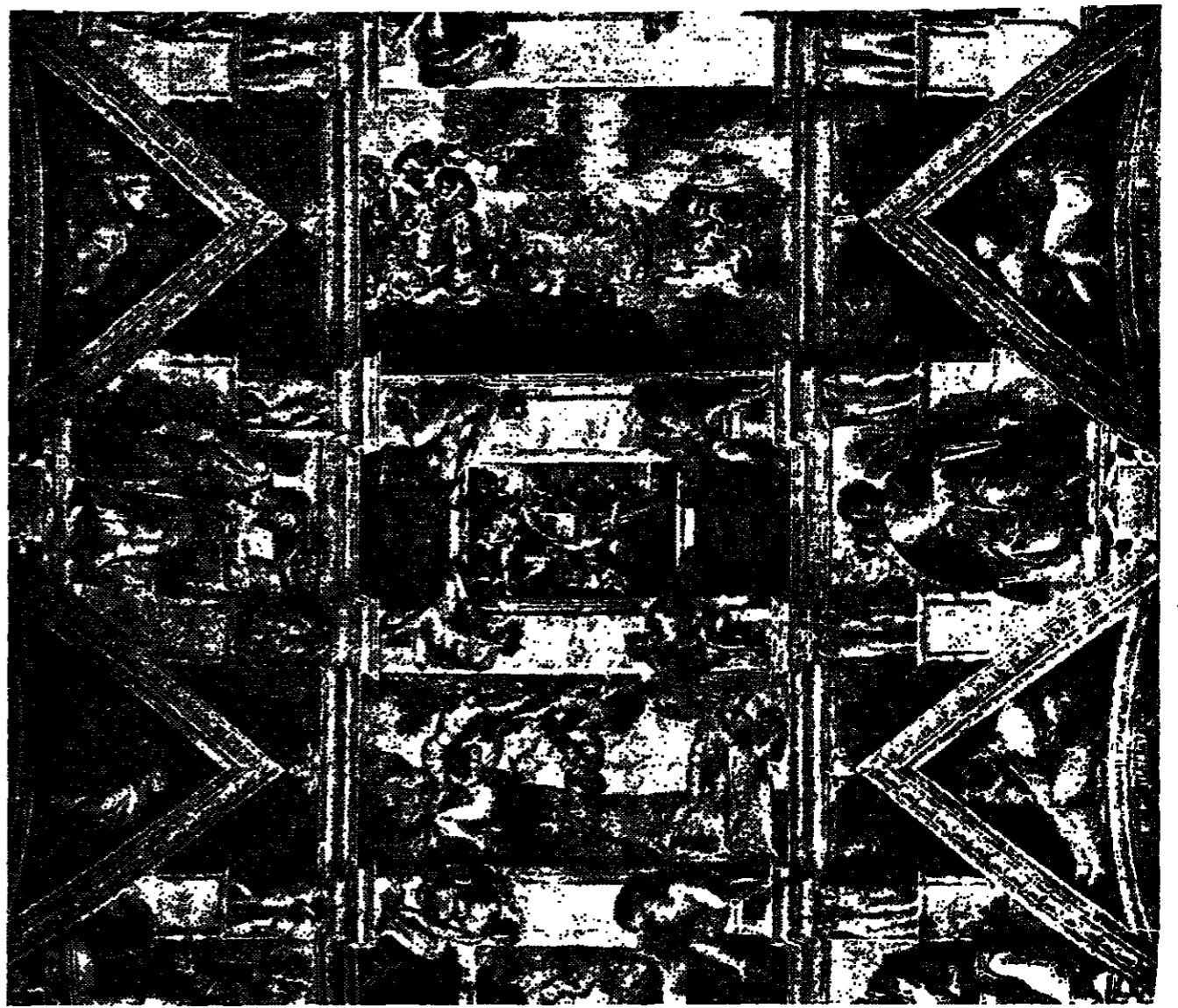
Sitting in his office in the Vatican Museums' Pinacoteca, which houses paintings and tapestries from the 11th to the 19th centuries, Colalucci recently responded to the points raised by Beck in the Arts magazine article and in subsequent statements. The restorer agreed with the professor that there are pollutants in the air today that did not exist when Michelangelo was at work on the chapel, but he said studies show there are no short-term dangers. Moreover, he said, it is inaccurate to say the cleaning robbed the frescoes of their protection and leaves them more vulnerable than before.

"Frescoes were created with absolutely no protection," he said. They are not like paintings that are finished with a layer of varnish. There is nothing added to them. When they are produced perfectly they are the most resistant art form that exists."

Colalucci insisted that the extensive studies conducted before and during the restoration indicated there was no danger in cleaning the paintings. In particular, he argued, the tests show that none of Michelangelo's work is being removed. For example, microsamples of any a secco painting are tested for the presence of zinc white. A positive reading is a sure sign the paint is not Michelangelo's because paint using that substance was not invented until the 18th century.

As for the 20th century, efforts have been made to ensure that the frescoes will not be inordinately bombarded by the wide range of today's pollutants. The Vatican has proposed three separate controls. The first, already installed, is a floor board covered by a special dust-absorbing carpet. It covers the staircase leading to the chapel and part of the chapel floor. Another is a soon-to-be installed environmental control system.

Colalucci raised strong objections to Beck's idea of halting restoration for a reassessment or in anticipation of new technologies. He maintained this would be "foolishness that could ruin the works." There would be a great risk in doing only a partial restoration, he asserted "because it would produce aesthetic damage to the frescoes. One section



The section of the Sistine Chapel roof which contains "The Fall and The Expulsion."

would look so different from another, as one would be much dustier." As an assurance that restoration was not causing damage visible over time he suggested examination of the frescoes cleaned at the start of the project nearly six years ago. "Go see them," he urged. "They're still there, and they are fine."

As Colalucci sees it, the controversy over the restoration effort and, in particular, its instigators can be divided into two parts: one reasonable, the other decidedly not. "There are people who don't accept the cleaning and can't accept new image of Michelangelo," he noted.

While Colalucci respects those who refuse to accept the idea of a "new" Michelangelo, he brusquely rejects those who claim that the frescoes might be damaged by the restoration or those who say the restorers could be removing touch-ups painted by the Renaissance master himself.

In addition to soot from candles and braziers, the frescoes have been subject to repeated interventions dating perhaps as far back as the late 16th century. The frescoes, Colalucci said, were altered by heavy-handed restorers like Annibale Mazzuoli who, from 1710 to 1713, cleaned them with Greek wine and then touched them up with tempera paints. "You cannot talk about the Sistine Chapel as if it were an Etruscan tomb, discovered only yesterday exactly as Michelangelo left it," he said. "As restorers, we have had to deal with what came to us and we face some very complex situations up there."

Given the complexity of his task Colalucci emphasizes a distinction between the philosophy of art and the science of restoration — the art historian versus the art restorer. "Restorers, like myself, must know everything that art historians know plus much more."

To be an art historian, Colalucci explained, doesn't necessarily mean that one is an expert on the materials that make up a work of art. "The only people qualified to be making statements about possible risks to the frescoes," he said, "are those who can look into a microscope and tell the difference between the color green, for example, used by Michelangelo and a color of nearly the exact same hue but which never appeared on Michelangelo's palette. Or, those persons," he continued, "who can recognize whether a brush stroke is Michelangelo or that of Mazzuoli."

For Colalucci, the future seems to offer little relief from worry. "I feel like a soccer player before the championship game these days," he said with resignation. "I wish I could go on a retreat and be entirely cut off from the world, so that I could concentrate on what I have to do and not these other things. This all creates a kind of stress which doesn't let you work with tranquility."

Barenboim's Trial 'Siegfried'

By David Stevens
International Herald Tribune

PARIS — Daniel Barenboim is scheduled to conduct the next new production of Wagner's "Ring der Nibelungen" tetralogy at the Bayreuth Festival in 1988, a daunting prospect in an age when fewer and fewer conductors have a chance to grow up with it in the opera house. So he has been including it, a bit at a time, in his programs with the Orchestre de Paris — the latest chapter being an exhilarating, splendidly cast third act of "Siegfried."

There is a lot to be said for this approach, aside from giving Barenboim a chance to warm up for Bayreuth. The final act of "Siegfried" is one of the most musically rich but theatrically stilted in all the "Ring," so it is particularly suitable for the concert format. It fits in with the rich Germanic diet the orchestra and its public have been getting during the decade of Barenboim's musical directorate. And the Paris public, long without a complete staged "Ring" cycle on home ground, is hungry for all it can get. (Admittedly, this has included Radio France's complete "Ring" in concert last season under Marek Janowski.)

Barenboim, who makes no secret about his admiration for the great and often idiosyncratic conductor of the past (Furtwängler, Klemperer & Co.), and his orchestra have

made great strides in this repertoire. The Orchestre de Paris is not to be confused with any characteristic Central European orchestra in terms of weight or the depth of string sound, but there are compensations, and on Thursday at the Salle Pleyel the orchestra was in excellent form on its own terms and responsive to Barenboim's demands. If these demands tended to emphasize the episodic aspect rather than the grand design, that is inherent in an act that is itself episodic and being presented out of context. And if the sound of the orchestra on stage sometimes drowned the singers, the sunken pit at Bayreuth will take care of that.

Vocally, this music could hardly be better represented, especially since Wotan and Siegfried could appear fresh instead of at the end of a long evening. Donald McIntyre, with craggy profile and snowy beard, and his warm bass-baritone dense with experience, is a Wotan still formidable but ready to lay down the weight of the world. Siegfried Jerusalem might have trouble with the orchestra in the Act 1 fogging of the sword, but here he was well nigh perfect — handsome, lyrical and youthful, yet with ample power. Elizabeth Laurence was the exemplary Erda, implacable in demeanor and in the deployment of her rich contralto.

Last in order of appearance, but certainly not least, Hildegard Beh-

rens — as resplendent vocally as she was visually in her flaming red gown — confirmed her status as the premiere Wagnerian soprano of the day, a glorious Brunnhilde newly

awakened and in love at first sight. In all the concert, to be repeated Saturday at 4 P.M., was a down payment rich in promise for the real thing in 1988.

INTERNATIONAL ART EXHIBITIONS

PARIS

GALERIE DES ORFÈVRES
68, Quai des Orfèvres - Paris - 43.26.81.30

Robert
TANCREDE
France - Spain - Italy - USA
From January 6 to 24

GALERIE MERMOZ

PRE-COLUMBIAN ART
6, Rue Jean-Mermoz, 75008 PARIS. Tel.: 43.59.82.44

WALLY FINDLAY
Galleries International
new york - chicago
paris - london - paris

2 Ave. Maffignon - Paris 8th
Tel.: 43.28.70.74, Tuesday thru, Saturday
10 a.m. to 7 p.m. - 250 to 7 pm

FESTIVAL OF ARTS

Permanent exhibition of:
ADAMOFF, ARDISSONE, AUGE,
BOUDET, BOURRIE, CANU,
CASSIGNOLE, CHAURAY,
DUCARE, FABIAN, GAIL,
GANNIER, GAYEAU, GORRITI,
GUILLEARD, HANCOCK,
HERBO, KEMPE, KLUGE, LE PHO,
MAIK, MICHEL-HENRY,
MILINKOV, NESSI, SEBIRE,
THOMAS, VIGNOLES, VOLLET.
A VIDAL-QUADRAS Portraits
BALARIN Sculptures

LONDON

MARLBOROUGH
6 Albemarle St., London W1

FRANK
AUERBACH
Recent work
Until 20 February
Illustrated catalogue available
Tel.: 01-429 5161

14 janvier - 21 février
Lam

Galerie Maeght Lelong
13, rue de Téhéran, Paris 8^e

14 janvier - 21 février
Arcangelo

Galerie Maeght Lelong
14, rue de Téhéran, Paris 8^e

"ART EXHIBITIONS"
"ANTIQUES"
"AUCTION SALES"
appear on Saturday

Belgium

Vesalius College

Located in Brussels: the heart of Europe!
Comparable with American Liberal Arts Universities
+ intensive teaching + personal work + broad education

English-speaking university program of the "Vrije Universiteit Brussel"

- On its main campus
- BA, BS and Bachelor of Engineering degrees
- Majors in Humanities, Business Economics, Social Sciences, Natural and Life Sciences, Engineering, Computer Science, Preprofessional Programs
- Facilities include 250,000-volume library, labs, computers network, multi-language laboratory, sports center, student counselling
- Fall Semester starts September 1, 1987

Mail enquiry to: Dr. René Van Esbroeck
Vesalius College, Pleinban 2
1050 Brussels, Belgium
Phone: 02/641.28.21
or 04121 11

Apply to: Vesalius College, Pleinban 2, 1050 Brussels, Belgium

FRANCE

UNIVERSITE DE PARIS SORBONNE

Centre Expérimental d'Etude de la Civilisation Française associée à l'Université

COURS DE CIVILISATION FRANÇAISE

GRADUATE COURSES

- University Courses
- "MAGISTÈRE de Langue et de Civilisation Française" (équivalent à M.A. Credit U.S.A.)
- Summer Session for foreign Teachers & Students
- Courses for Teachers of French Language and Civilization
- Training courses in all fields

UNDERGRADUATE COURSES

French baccalaureat level required.

- French Language and Civilization Courses. Limited number of inscriptions.
- Fall, Winter and Spring Semesters.
- Summer Courses: July to end Sept.
- Intermittent Sessions: January.

Options in Economics and Commercial Studies. Diplomas and certificates by the Sorbonne and the French Chamber of Commerce and Industry. Student visa compulsory. Inspire at the Cultural section of the French Embassy.

Apply to: COURS DE CIVILISATION FRANÇAISE
47 Rue des Ecoles, Paris-5^e. Tel.: (1) 43.39.12.13. Ext. 38.58.

WANT TO SPEAK FRENCH?

You can through the "TOTAL APPROACH" to French, a unique 4-week program on the Riviera.

COMPLETE ALL-DAY IMMERSION, ONLY IN FRENCH: Daily 8:30-17:00
With 2 meals, in small groups. Audio-visual Classes. Language Lab. Practice Sessions. Discussion-Lectures. Excursions. Lodging in private apartments included.

For adults: 8 levels from beginner 1 to advanced 8.
Next 4-week intensive course starts January 2, March 2, 1987 and all year.
The famous Nice Carnival is in February.
+ intensive teaching + personal work + broad education

Years of research in separate studies in French to adults.
INSTITUT DE FRANÇAIS - A.I.G.
23 Av. Gén. Leducq, 06 Villeneuve/Var. Tel.: 93 01-89-44. Tél. 970.9897.

EUROPE

STUDY FOR A CAREER IN HOTEL MANAGEMENT

Full-time courses leading to the Associate, Bachelor and Master degrees in Business Administration and Hotel Management.

Locations: Strasbourg for the first 2 years then London.

Minimum entry - 5 'O' levels or equivalent.
Exemptions granted for completed studies in relevant fields.

Language of tuition - English

Schiller International University
Dept HM4, 51 Waterloo Road, London SE1 8TX
Tel.: (01) 928 8484 Telex: 881248 SCOL G
Accredited AICS, Washington DC, USA

U.S.A.

UNIVERSITY DEGREE

BACHELOR'S • MASTER'S • DOCTORATE
For Work, Academic, Life Experience.

Send detailed resume for free evaluation.

PACIFIC WESTERN UNIVERSITY
400 N. Sepulveda Blvd.,
Los Angeles, California
90049, Dept. 23, U.S.A.

LEGACY
INTERNATIONAL YOUTH PROGRAM

For information, please contact Françoise Clément, International Herald Tribune, or your nearest IHT representative.

DOONESBURY

THANK YOU FOR THE PICTURE, JEREMY, IT MEANS A LOT.

WELL, I'M PROUD TO HAVE PLAYED A SMALL ROLE, MRS. D.

WHAT ROLE IS THAT, DEAR?

I MADE THE PRINT! IN MY HOME DARKROOM! WANT ME TO INSCRIBE IT?

I CAN ASSURE YOU, MRS. D, IT'S NOT TOO MUCH TROUBLE.

WELL, IF IT'S NOT TOO MUCH TROUBLE.

TO LACEY - I COULDN'T HAVE DONE IT WITHOUT THE NEGATIVE.

BEST, JEREMY.

IT'S TRUE, IT'S TECHNICALLY IMPOSSIBLE.

OB Donohoe

Vietnam Says It Killed 1,500 Chinese at Border

BANGKOK — Hanoi radio reported Friday that Vietnamese forces have killed 1,500 Chinese soldiers in border battles this week.

In Beijing, a Foreign Ministry spokesman declined to comment directly on the report, saying only that Chinese forces had fought Vietnamese troops for at least three days, beginning Monday.

"It is learned that the provocative intrusions by Vietnamese troops were repulsed on the evening of Jan. 7," the Chinese spokesman said.

The Chinese Foreign Ministry does not normally give its own figures in response to Vietnamese allegations of Chinese troop deaths in border clashes.

Chinese people, the Chinese authorities have conducted serious acts of war against Vietnam on the Chinese-Vietnamese border.

It renewed calls for restoration of normal relations so Vietnam could concentrate on development of its troubled economy. China rejected several such offers last year.

A Vietnamese Embassy spokesman in Beijing said Friday that he did not know whether the three days of fighting had continued beyond Wednesday.

Western diplomats in Beijing were skeptical about the accuracy of the Vietnamese casualty estimates, although they indicated that there had been serious fighting.

The diplomats said the timing of the fighting, if initiated by Vietnam, might be linked to political developments that are putting increasing pressure on Vietnam to break the impasse over Cambodia.

The Soviet Union appealed to the new team of Vietnamese leaders to renew a dialogue with Beijing. But China has said that better relations depend on Vietnam pulling its forces out of Cambodia, where they are helping the Heng Samrin administration against a guerrilla coalition.

The diplomats said the Chinese could be seeking to drive this point home by launching a strong attack against the Vietnamese.

Thai and Western officials in Bangkok said the border fighting was among the worst between the two countries since 1979.

Vietnam said China fired 60,000 mortar rounds and artillery shells up to 11 miles (18 kilometers) into its territory on Wednesday. This would rival major World War II actions, diplomats said.



Alan Cowell walking with a Soviet mother taking her child to school earlier this week.

EXPEL: Pretoria Shuts Out New York Times Reporters

(Continued from Page 1)

without a staff correspondent until a successor arrived last month.

On Dec. 23, Mr. Cowell was told by the Ministry of Home Affairs that his long-standing application for a renewal of his work permit, which expired June 19, had been refused. The ministry told Mr. Cowell to leave South Africa not later than Jan. 10.

Since June 19, Mr. Cowell had been able to work in South Africa because his application for a new work permit was under consideration at the authorities.

Mr. Cowell, 39, is a British subject who has worked as a staff correspondent for The New York Times since 1981, first in Nairobi, and then in Johannesburg. He was previously a correspondent for Reuters in West Germany, Turkey, Lebanon, Zambia and Zimbabwe.

The decision to order him to leave South Africa apparently was made by Stoffel Botha, minister of home affairs. The minister was asked directly by The Times and through diplomatic channels by U.S. officials to reconsider his decision, but declined three times.

The newspaper's editors offered to meet with him in South Africa to discuss any problems, but the authorities turned down the suggestion. A request to reconsider Mr. Schmemmann's status was rejected.

The first notice to The Times came less than two weeks after the authorities announced a tightening of censorship rules in force since an emergency decree took effect June 12, 1985.

The rules forbid unauthorized reporting of actions by the security forces and what are deemed "subversive statements." The new rules also obligate reporters to leave scenes of violence and to submit reports

for official approval if they might violate the rules.

South African government officials, speaking privately, said that the authorities, confronted by American sanctions and by disinvestment by American corporations in South Africa, felt they derived no benefit from accommodating a correspondent of The New York Times.

The South African officials said their government had already suffered from what it perceived as adverse publicity in the United States and felt able to withstand any further American criticism inspired by the suspension of The New York Times bureau's reporting.

The bombing at the store South Africa accused the African National Congress of planning a bomb that slipped through an eight-story department store in central Johannesburg on Friday, seconds after hundreds of shoppers had been evacuated, Reuters reported.

Policemen at the scene said scores of casualties were prevented by an alert security guard who spotted the bomb in a plastic bag less than 10 minutes before the blast at the OK Bazaars Store, where management and black workers are having a wage dispute.

and arrived unannounced at the Whiteheads' home with several police officers on the night of May 5 to take the child.

Mrs. Whitehead said she had begged Mr. Stern, "Please Bill, don't do this. I must have asked him 30 times." In the confusion, Mrs. Whitehead handed the baby out a window to her husband, who escaped with the child.

The next day the Whiteheads fled to Florida, where they lived until they were tracked down in July by private detectives hired by the Sterns. The Sterns, armed with another court order, seized the baby with the help of Florida police. The baby has lived with them since then.

Whether the surrogate contract is determined to be legal or not, the judge must decide who gets custody of the baby. A court probation officer found that both couples would be "more than adequate" parents.

CHAD: Goukouni Breaks Silence, Asks End to Fighting

(Continued from Page 1)

He said he did not think himself "obliged to leave Libya" nor, he said, was he "held by force in this country" if he wanted to leave.

In December, for the first time, Chadian forces linked up with supporters of Mr. Goukouni, who were under attack from the Libyans in the remote northwestern Tibesti region of Chad.

■ Libyan 'Rout' at Fada

A senior U.S. official said Friday that the recent Chadian takeover of a 1,000-man Libyan garrison at Fada in the northern third of Chad had been "an important defeat," and he predicted that it would give the Libyan command "a lot to think about." The Washington Post reported from Douala, Cameroon.

"It seems to me obvious that it was a rout," said the official, who was traveling with U.S. Secretary of State George P. Shultz on his eight-day tour of Africa.

The battle at Fada, which occurred Sunday and Monday, appears to have been the worst defeat suffered by the Libyan army since it occupied all of Chad north of the 16th parallel in 1983. About 7,000 to 8,000 Libyan forces occupy northern Chad.

The U.S. official, briefing reporters aboard Mr. Shultz's plane on the way to Douala from Dakar, Senegal, said the details of what had happened at Fada were still sketchy. However, he said, it was obvious the Libyan troops had performed "at all well" and that the battle had turned into a rout of the 1,000-man force there by the Chadians.

He said that Chad's army had destroyed "several dozens" Soviet-built T-54 and T-55 tanks in the fighting and had captured "several dozens" others.

Plane Lands In Beirut As Airport Is Shelled

(Continued from Page 1)

secret arms shipments to Iran was just three paragraphs long.

According to the text released Friday, the first paragraph ordered William J. Casey, director of the Central Intelligence Agency, "to refrain from reporting this finding to the Congress, as provided by Section 501 of the National Security Act of 1947, as amended, until I otherwise direct." Some members of Congress have called this order a violation of the law governing covert intelligence operations.

The second paragraph of the finding states: "The U.S. government will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the government of Iran by providing these elements with arms equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. United States government in Iran by demonstrating their ability to defend their country against Iraq and intervention by the Soviet Union."

The document concludes: "This support will be discontinued if the United States government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this finding."

The memorandum was more explicit about the goals of the Iran initiative. It described the plan as an Israeli effort.

The paper states: "The Israeli plan is premised on the assumption moderate elements in Iran can come to power if these factions demonstrate their credibility in defending Iran and in deterring Soviet intervention. To achieve the strategic goal of a more moderate Iranian government, the Israelis are prepared to unilaterally commence selling military materiel to Western-oriented Iranian factions."

The document adds, "Once the exchange relationship has commenced, a dependency will be established on those who are providing the requisite resources, thus allowing the providers to coercively influence near-term events."

■ Casey Knew of Diversion

The CIA acknowledged Friday that Mr. Casey and his deputy, Robert M. Gates, were informed in the fall of 1986 of "rumored speculation" that some Iranian money may have been diverted to the Niagaragan rebels and they informed the White House, United Press International reported from Washington.

"There is no indication whatsoever the CIA was involved in any diversion of funds, that the CIA misused its funds or violated any law," the agency said in a statement.

Bombing at Store

(Continued from Page 1)

related to him so that his family would not die out.

Three days after the March 27 birth of the baby, who is called Melissa by the Sterns and Sara by the Whiteheads, the Sterns came to the Whiteheads' home in Brick Township, in southern New Jersey, and took the baby home.

Mrs. Whitehead testified Thursday that she was breast-feeding the baby when the Sterns arrived. "I didn't want to give her to them, but I felt an obligation to them also," she said. After they left, she said, "I just sobbed for hours and hours and hours. It was like someone had cut my arm off."

The next day she drove to the Sterns and "told them I had to have my child."

"I told them I would take her for a week," she added. "My life felt so empty. My life was shattered."

Mrs. Whitehead acknowledged that the agreement she had signed stipulated that she surrender the baby and sign documents permitting Mrs. Stern to adopt her.

But on April 12, she told the Sterns that she was not going to return the child, Mrs. Whitehead testified. The Sterns obtained a court order awarding them custody

MOTHER: Trial Opens in N.J.

(Continued from Page 1)

Christian demands for authorization to begin operations at a still nonfunctional airstrip at Halat along the northern Lebanese coast have been suspected as a prime motivation for blocking air transport from the Beirut airport, which is in the heart of Shiite Moslem territory.

Moslem leaders have called the move for a new airport a step toward partitioning the country along religious lines.

Strong Quake Hits Japan

(Continued from Page 1)

and arrived unannounced at the Whiteheads' home with several police officers on the night of May 5 to take the child.

Mrs. Whitehead said she had begged Mr. Stern, "Please Bill, don't do this. I must have asked him 30 times." In the confusion, Mrs. Whitehead handed the baby out a window to her husband, who escaped with the child.

The next day the Whiteheads fled to Florida, where they lived until they were tracked down in July by private detectives hired by the Sterns. The Sterns, armed with another court order, seized the baby with the help of Florida police. The baby has lived with them since then.

Whether the surrogate contract is determined to be legal or not, the judge must decide who gets custody of the baby. A court probation officer found that both couples would be "more than adequate" parents.

Plane Lands In Beirut As Airport Is Shelled

(Continued from Page 1)

secret arms shipments to Iran was just three paragraphs long.

According to the text released Friday, the first paragraph ordered William J. Casey, director of the Central Intelligence Agency, "to refrain from reporting this finding to the Congress, as provided by Section 501 of the National Security Act of 1947, as amended, until I otherwise direct." Some members of Congress have called this order a violation of the law governing covert intelligence operations.

The second paragraph of the finding states: "The U.S. government will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the government of Iran by providing these elements with arms equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. United States government in Iran by demonstrating their ability to defend their country against Iraq and intervention by the Soviet Union."

The document concludes: "This support will be discontinued if the United States government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this finding."

The memorandum was more explicit about the goals of the Iran initiative. It described the plan as an Israeli effort.

The paper states: "The Israeli plan is premised on the assumption moderate elements in Iran can come to power if these factions demonstrate their credibility in defending Iran and in deterring Soviet intervention. To achieve the strategic goal of a more moderate Iranian government, the Israelis are prepared to unilaterally commence selling military materiel to Western-oriented Iranian factions."

The document adds, "Once the exchange relationship has commenced, a dependency will be established on those who are providing the requisite resources, thus allowing the providers to coercively influence near-term events."

■ Casey Knew of Diversion

The CIA acknowledged Friday that Mr. Casey and his deputy, Robert M. Gates, were informed in the fall of 1986 of "rumored speculation" that some Iranian money may have been diverted to the Niagaragan rebels and they informed the White House, United Press International reported from Washington.

"There is no indication whatsoever the CIA was involved in any diversion of funds, that the CIA misused its funds or violated any law," the agency said in a statement.

MOTHER: Trial Opens in N.J.

(Continued from Page 1)

related to him so that his family would not die out.

Three days after the March 27 birth of the baby, who is called Melissa by the Sterns and Sara by the Whiteheads, the Sterns came to the Whiteheads' home in Brick Township, in southern New Jersey, and took the baby home.

Mrs. Whitehead testified Thursday that she was breast-feeding the baby when the Sterns arrived. "I didn't want to give her to them, but I felt an obligation to them also," she said. After they left, she said, "I just sobbed for hours and hours and hours. It was like someone had cut my arm off."

The next day she drove to the Sterns and "told them I had to have my child."

"I told them I would take her for a week," she added. "My life felt so empty. My life was shattered."

Mrs. Whitehead acknowledged that the agreement she had signed stipulated that she surrender the baby and sign documents permitting Mrs. Stern to adopt her.

But on April 12, she told the Sterns that she was not going to return the child, Mrs. Whitehead testified. The Sterns obtained a court order awarding them custody

Bombing at Store

(Continued from Page 1)

related to him so that his family would not die out.

Three days after the March 27 birth of the baby, who is called Melissa by the Sterns and Sara by the Whiteheads, the Sterns came to the Whiteheads' home in Brick Township, in southern New Jersey, and took the baby home.

Mrs. Whitehead testified Thursday that she was breast-feeding the baby when the Sterns arrived. "I didn't want to give her to them, but I felt an obligation to them also," she said. After they left, she said, "I just sobbed for hours and hours and hours. It was like someone had cut my arm off."

The next day she drove to the Sterns and "told them I had to have my child."

"I told them I would take her for a week," she added. "My life felt so empty. My life was shattered."

Mrs. Whitehead acknowledged that the agreement she had signed stipulated that she surrender the baby and sign documents permitting Mrs. Stern to adopt her.

But on April 12, she told the Sterns that she was not going to return the child, Mrs. Whitehead testified. The Sterns obtained a court order awarding them custody

Strong Quake Hits Japan

(Continued from Page 1)

related to him so that his family would not die out.

Three days after the March 27 birth of the baby, who is called Melissa by the Sterns and Sara by the Whiteheads, the Sterns came to the Whiteheads' home in Brick Township, in southern New Jersey, and took the baby home.

Mrs. Whitehead testified Thursday that she was breast-feeding the baby when the Sterns arrived. "I didn't want to give her to them, but I felt an obligation to them also," she said. After they left, she said, "I just sobbed for hours and hours and hours. It was like someone had cut my arm off."

The next day she drove to the Sterns and "told them I had to have my child."

"I told them I would take her for a week," she added. "My life felt so empty. My life was shattered."

Mrs. Whitehead acknowledged that the agreement she had signed stipulated that she surrender the baby and sign documents permitting Mrs. Stern to adopt her.

But on April 12, she told the Sterns that she was not going to return the child, Mrs. Whitehead testified. The Sterns obtained a court order awarding them custody

CHAD: Goukouni Breaks Silence, Asks End to Fighting

(Continued from Page 1)

He said he did not think himself "obliged to leave Libya" nor, he said, was he "held by force in this country" if he wanted to leave.

In December, for the first time, Chadian forces linked up with supporters of Mr. Goukouni, who were under attack from the Libyans in the remote northwestern Tibesti region of Chad.

■ Libyan 'Rout' at Fada

A senior U.S. official said Friday that the recent Chadian takeover of a 1,000-man Libyan garrison at Fada in the northern third of Chad had been "an important defeat," and he predicted that it would give the Libyan command "a lot to think about." The Washington Post reported from Douala, Cameroon.

"It seems to me obvious that it was a rout," said the official, who was traveling with U.S. Secretary of State George P. Shultz on his eight-day tour of Africa.

The battle at Fada, which occurred Sunday and Monday, appears to have been the worst defeat suffered by the Libyan army since it occupied all of Chad north of the 16th parallel in 1983. About 7,000 to 8,000 Libyan forces occupy northern Chad.

The U.S. official, briefing reporters aboard Mr. Shultz's plane on the way to Douala from Dakar, Senegal, said the details of what had happened at Fada were still sketchy. However, he said, it was obvious the Libyan troops had performed "at all well" and that the battle had turned into a rout of the 1,000-man force there by the Chadians.

He said that Chad's army had destroyed "several dozens" Soviet-built T-54 and T-55 tanks in the fighting and had captured "several dozens" others.

Plane Lands In Beirut As Airport Is Shelled

(Continued from Page 1)

secret arms shipments to Iran was just three paragraphs long.

According to the text released Friday, the first paragraph ordered William J. Casey, director of the Central Intelligence Agency, "to refrain from reporting this finding to the Congress, as provided by Section 501 of the National Security Act of 1947, as amended, until I otherwise direct." Some members of Congress have called this order a violation of the law governing covert intelligence operations.

The second paragraph of the finding states: "The U.S. government will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the government of Iran by providing these elements with arms equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. United States government in Iran by demonstrating their ability to defend their country against Iraq and intervention by the Soviet Union."

The document concludes: "This support will be discontinued if the United States government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this finding."

The memorandum was more explicit about the goals of the Iran initiative. It described the plan as an Israeli effort.

The paper states: "The Israeli plan is premised on the assumption moderate elements in Iran can come to power if these factions demonstrate their credibility in defending Iran and in deterring Soviet intervention. To achieve the strategic goal of a more moderate Iranian government, the Israelis are prepared to unilaterally commence selling military materiel to Western-oriented Iranian factions."

The document adds, "Once the exchange relationship has commenced, a dependency will be established on those who are providing the requisite resources, thus allowing the providers to coercively influence near-term events."

■ Casey Knew of Diversion

The CIA acknowledged Friday that Mr. Casey and his deputy, Robert M. Gates, were informed in the fall of 1986 of "rumored speculation" that some Iranian money may have been diverted to the Niagaragan rebels and they informed the White House, United Press International reported from Washington.

"There is no indication whatsoever the CIA was involved in any diversion of funds, that the CIA misused its funds or violated any law," the agency said in a statement.

MOTHER: Trial Opens in N.J.

(Continued from Page 1)

related to him so that his family would not die out.

Three days after the March 27 birth of the baby, who is called Melissa by the Sterns and Sara by the Whiteheads, the Sterns came to the Whiteheads' home in Brick Township, in southern New Jersey, and took the baby home.

Mrs. Whitehead testified Thursday that she was breast-feeding the baby when the Sterns arrived. "I didn't want to give her to them, but I felt an obligation to them also," she said. After they left, she said, "I just sobbed for hours and hours and hours. It was like someone had cut my arm off."

The next day she drove to the Sterns and "told them I had to have my child."

"I told them I would take her for a week," she added. "My life felt so empty. My life was shattered."

Mrs. Whitehead acknowledged that the agreement she had signed stipulated that she surrender the baby and sign documents permitting Mrs. Stern to adopt her.

But on April 12, she told the Sterns that she was not going to return the child, Mrs. Whitehead testified. The Sterns obtained a court order awarding them custody

Bombing at Store

(Continued from Page 1)

related to him so that his family would not die out.

Three days after the March 27 birth of the baby, who is called Melissa by the Sterns and Sara by the Whiteheads, the Sterns came to the Whiteheads' home in Brick Township, in southern New Jersey, and took the baby home.

Mrs. Whitehead testified Thursday that she was breast-feeding the baby when the Sterns arrived. "I didn't want to give her to them, but I felt an obligation to them also," she said. After they left, she said, "I just sobbed for hours and hours and hours. It was like someone had cut my arm off."

The next day she drove to the Sterns and "told them I had to have my child."

"I told them I would take her for a week," she added. "My life felt so empty. My life was shattered."

Mrs. Whitehead acknowledged that the agreement she had signed stipulated that she surrender the baby and sign documents permitting Mrs. Stern to adopt her.

But on April 12, she told the Sterns that she was not going to return the child, Mrs. Whitehead testified. The Sterns obtained a court order awarding them custody

Strong Quake Hits Japan

(Continued from Page 1)

related to him so that his family would not die out.

Three days after the March 27 birth of the baby, who is called Melissa by the Sterns and Sara by the Whiteheads, the Sterns came to the Whiteheads' home in Brick Township, in southern New Jersey, and took the baby home.

Mrs. Whitehead testified Thursday that she was breast-feeding the baby when the Sterns arrived. "I didn't want to give her to them, but I felt an obligation to them also," she said. After they left, she said, "I just sobbed for hours and hours and hours. It was like someone had cut my arm off."

The next day she drove to the Sterns and "told them I had to have my child."

"I told them I would take her for a week," she added. "My life felt so empty. My life was shattered."

Mrs. Whitehead acknowledged that the agreement she had signed stipulated that she surrender the baby and sign documents permitting Mrs. Stern to adopt her.

But on April 12, she told the Sterns that she was not going to return the child, Mrs. Whitehead testified. The Sterns obtained a court order awarding them custody

Vol.	High	Low	Last	Chg.
Amgen	25.00	24.50	24.75	+0.25
Amgen	25.00	24.50	24.75	+0.25
Amgen	25.00	24.50	24.75	+0.25
Amgen	25.00	24.50	24.75	+0.25
Amgen	25.00	24.50	24.75	+0.25

NYSE 4 a.m. volume	NYSE adv. cons. close	NYSE adv. cons. open	NYSE adv. cons. close
152,038,000	2,547,200	2,547,200	2,547,200
148,567,000	2,547,200	2,547,200	2,547,200
148,567,000	2,547,200	2,547,200	2,547,200
148,567,000	2,547,200	2,547,200	2,547,200

Composite	High	Low	Close	Chg.
104.58	104.58	104.58	104.58	+0.84
104.58	104.58	104.58	104.58	+0.84
104.58	104.58	104.58	104.58	+0.84
104.58	104.58	104.58	104.58	+0.84

Friday's NYSE Closing

Via The Associated Press

Class	Prev.
Advanced	481
Declined	219
Unchanged	219
New Issues	4
Total Issues	4

Composite	Class	Chgs.	Week	Year
388.48	+2.11	28.88	284.34	
388.48	+2.11	28.88	284.34	
388.48	+2.11	28.88	284.34	

Vol.	High	Low	Last	Chg.
BAT	7.00	7.00	7.00	+0.10
CHS	4.00	4.00	4.00	+0.10
DIS	3.00	3.00	3.00	+0.10
IBM	2.00	2.00	2.00	+0.10
INTL	1.00	1.00	1.00	+0.10

High	Low	Close	Chgs.
283.9	281.7	283.7	+2.14

Bonds	Class	Chgs.
Govt	102	-0.02
Utilities	92.13	-0.02
Industrials	92.13	-0.02

Class	Prev.
Advanced	187
Declined	216
Unchanged	201
New Issues	11
Total Issues	11

Buy	Sell	Net
32,686	39,714	7,028
47,028	47,028	0
38,229	37,958	271
38,139	23,441	14,698
		2,946

Open	High	Low	Last	Chg.
1998.8	2014.5	1981.1	2005.1	+2.4
781.9	802.5	827.6	802.9	+16.6
281.5	285.2	284.1	285.2	+0.7
714.7	725.0	714.5	720.0	+2.9

High	Low	Class	Chgs.
216.17	215.23	215.23	+0.94
216.17	215.23	215.23	+0.94
216.17	215.23	215.23	+0.94

Class	Prev.
Advanced	1,444
Declined	2,116
Unchanged	2,116
Total Issues	4,676

Vol.	High	Low	Last	Chg.
IBM	110.00	110.00	110.00	+0.10
MSFT	40.00	40.00	40.00	+0.10
ORCL	30.00	30.00	30.00	+0.10
INTL	20.00	20.00	20.00	+0.10
DIS	10.00	10.00	10.00	+0.10

High	Low	Close	Chgs.
383.9	381.7	383.7	+2.14

NYSE Pursues New-Year Rally

The real market story so far in 1987 is not the DJIA (Dow average) and its new milestone, said Newton Zinder at E.F. Hutton & Co. "The broad market is stealing the show."

In a reversal of the late 1986 performance, the DJIA is understating the market's strength.

In Friday's session, the standout was the Dow Jones average of 20 transportation stocks, which climbed 10.65 to 853.92, helped by advances in the airline group.

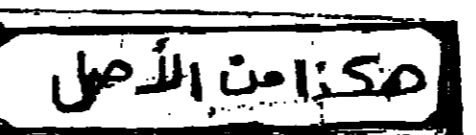
Elsewhere, ICN Pharmaceutical fell 3% to 21%. After a sharp rise lately, the stock gyrated widely as the company said clinical trials had shown one of its drugs to be effective in preventing the development of acquired immune deficiency syndrome, or AIDS.

Analysts said traders who had bid up the stock lately evidently had been hoping for more dramatic results in the test report.

Taiwan Market Reaches a High

TAIPEI — The Taiwan stock market, helped by bullish sentiment, hit a new high Friday as the weighted index rose 1.33 points to 1,085.87, according to brokers.

Turnover rose to 3.95 billion Taiwan dollars (\$111.5 million) from Thursday's 3.74 billion. About 50 percent of the listed companies registered gains between 10 cents and 1.70 dollars, with finance, banking, textile and electric stocks making the largest gains.



BUSINESS ROUNDUP

Lufthansa Split on Buying Airbus Jet

By Warren Getler
International Herald Tribune
LONDON — Lufthansa AG's board will discuss the possible purchase of Airbus A-340 jumbo jets at a meeting Monday, but board members are divided on whether that plane is the right choice, a Lufthansa source said Friday.

...regarded as important customers in the attempt to launch the A-340, informed McDonnell Douglas of its intent to buy six MD-11s. Swissair's decision played a key role in McDonnell's recommendation last month to launch that plane.

...the plane might never materialize. Although both proposals will receive serious attention at Lufthansa's management board meeting Monday in Cologne and at its supervisory board meeting Wednesday, the source said that a final decision was not likely.

Honda to Invest \$450 Million on U.S. Expansion

COLUMBUS, Ohio — Honda Motor Co. is to invest \$450 million to expand its U.S. operations, bringing its total U.S. investment to \$1.2 billion. Honda, Japan's third-biggest car company and the fourth-biggest on U.S. soil behind General Motors Corp., Ford Motor Co. and Chrysler Corp., said Thursday that it would expand its engine plant in Anna, Ohio, and build a new iron-casting plant.

MARKETS: From Madrid to Tokyo, 1986 Was Another Splendid Year

(Continued from first finance page)
percent last year in dollar terms, or 43 percent in yen terms, despite some economic problems. For 1987 worldwide, most indicators remain positive, analysts say. But many professional investors do not expect another bounding rally. "In our view it will be treacherous," Mr. Worsley said. "We are going to be cautious."

Frankfurt
Last year was a topsy-turvy one for the Frankfurt stock exchange, as the powerful West German economy shifted gears. Previously driven by exports, the economy came to rely much more on domestic consumption. Over all, the Frankfurter Allgemeine Zeitung index rose just 4.2 percent in 1986. However, in dollar terms, the market rose 33 percent because of the Deutsche mark's gains against the dollar.

Paris
The Bourse leapt to life last year, but most of its gains were made in the first few months of 1986 in anticipation of the elections for the National Assembly, which were won by the pro-business right. The Paris market's CAC index rose 48.5 percent in 1986, but far more substantial increases were recorded in individual sectors. Retailing shares jumped 77 percent; construction stocks, 74 percent; financial holding companies, 67 percent; and insurance companies, 65 percent.

Grand Met to Sell Scottish Brewery To Allied-Lyons

LONDON — Allied-Lyons PLC said Friday that it had agreed to acquire the Scottish brewer Dryburgh & Co. from a Grand Metropolitan PLC subsidiary, Watney Mann & Truman Breweries, for £48.5 million (\$71.5 million). Allied, a food and beverages group, said it would issue 14.3 million new ordinary shares, to be placed Friday at 347 pence per share, to meet the cost. Allied shares closed at 348 pence Friday on the London Stock Exchange.

CSO Says Rough Diamond Sales Rose 40%

LONDON — Sales of rough diamonds by De Beers Central Selling Organization rose 40 percent in 1986, according to company figures that indicate the industry is recovering from its worst recession since the 1930s. The total was put at \$2.56 billion last year, up 40 percent on 1985 sales of \$1.82 billion, said the London-based CSO, marketing arm of South Africa's De Beers Consolidated Mines Ltd.

prices up, the speculators moved in. By 1981, while interest rates were rising, inflation was falling and the dollar was reaching record highs, the speculators sold their stocks. In an attempt to stem the subsequent price drop, the CSO withheld vast stocks. Since the second half of 1985, the stockpile has been falling, aided by increased demand caused in part by the dollar's fall against other currencies. This made diamonds priced in dollars more affordable, said a spokesman.

Unstable political conditions in South Africa and threat of Western economic sanctions have done little to dent the diamond industry's new confidence. The spokesman said the industry was far less dependent on South Africa than the public thought. According to company figures, South Africa accounts for some 15 percent of diamond production, ranking behind Australia, Zaire, Botswana and the Soviet Union.

Eston Makes a Change in B-1 Bomber Program

CLEVELAND — Eaton Corp. has changed the management of its B-1B bomber program. The company said its president for government systems operations, Herman R. Standt, was named B-1B program director and would also oversee its electronic warfare system. John J. Conalane, who had been B-1 program head, was reassigned. Late last year, the U.S. Air Force said it had withheld payments on some B-1B contracts, including Eaton's, and this week the Pentagon said it was seeking additional funding to try to solve problems with electronics systems for the bomber, on which Rockwell International Corp. is the main contractor.

COMPANY NOTES

BP Nutrition Ltd.'s \$545 million offer for Purina Mills Inc., a U.S. manufacturer of cattle feeds, will not go before the Monopolies and Mergers Commission, according to the British Department of Trade and Industry. BP Nutrition is a wholly owned subsidiary of British Petroleum Co. and Purina Mills of Ralston Purina Co.

about 95 percent of Veve Ciquet SA, makers of champagne and perfume. Vuitton owned 19 percent before a recent tender. Lucas PLC's U.S. unit, Lucas Industries Inc., has acquired Schaeffler Engineering Inc.'s U.S. operations for \$33 million in cash. Lucas will also buy Schaeffler's British unit for \$650,000.

Mr. Bernstein is equally impressed by that chain of logic. The trade deficit, he pointed out, has mushroomed even though domestic productive resources are nowhere near maximum. Mr. Bernstein concluded that large U.S. trade deficits seem likely for the foreseeable future, no matter what the size of the budget deficit. And that, he warns, is likely to aggravate future budget deficits.

SCENE: 'Black Hole'?

(Continued from first finance page)
local currency, but then the bank can use the dollars only in the United States. The inflow of capital from abroad in turn helps finance the U.S. budget deficit. In effect, instead of soaking up money that would otherwise be invested privately, the government is running on foreign funds.

U.S. Futures

Table with columns for various futures contracts including Corn, Soybeans, Wheat, and other grains. Includes 'U.S. Futures Via The Associated Press' and 'Jan. 9'.

Food

Table listing food futures contracts such as Coffee, Cocoa, Orange Juice, and Soybean Meal.

Metals

Table listing metal futures contracts including Copper, Aluminum, Lead, and Zinc.

Financial

Table listing financial futures contracts such as Treasury Bonds, Treasury Bills, and various indices.

Paris Commodities

Table of commodity prices in Paris, including various grades of sugar and coffee.

London Commodities

Table of commodity prices in London, including various grades of sugar and coffee.

Asian Commodities

Table of commodity prices in Asian markets, including various grades of sugar and coffee.

Spot Commodities

Table of spot commodity prices, including various grades of sugar and coffee.

DM Futures Options

Table of DM futures options prices, including various grades of sugar and coffee.

London Metals

Table of London metal prices, including various grades of aluminum and copper.

Dividends

Table of dividend payments for various companies.

To Our Readers

S & P 100 index option prices were not available in this edition because of transmission delays.

Turner May Get Capital From Cable Operators

ATLANTA — Turner Broadcasting System Inc. is having talks with a group of cable television operators on a possible infusion of equity capital into Turner, the company said Friday.

Renault May Reconsider American Motors Stake

PARIS — Renault, France's state-owned auto group, is not excluding the possibility of reducing or liquidating its stake in American Motors Corp. if that company appears headed for further losses, industry sources said Friday.

Renault May Reconsider American Motors Stake

PARIS — Renault, France's state-owned auto group, is not excluding the possibility of reducing or liquidating its stake in American Motors Corp. if that company appears headed for further losses, industry sources said Friday.

Swiss Inflation Was 0.8%

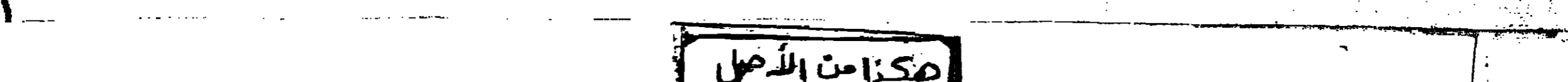
BERN — Consumer prices in Switzerland rose a monthly average of 0.8 percent in 1986, the lowest annual inflation rate in 27 years, the government reported Friday.

Moody's

Table of Moody's credit ratings and financial data for various companies.

U.S. Treasuries

Table of U.S. Treasury bond and bill prices.



CURRENCY MARKETS

EMS: Finance Officials to Discuss Currency Realignment

(Continued from Page 1)

West Germany, forcing up an already strong mark.

At the same time, strikes by transport and public utility workers in France have increased pressure on the franc.

Mr. Stoltenberg has repeatedly rejected demands from French government officials to revalue the mark.

French officials from Prime Minister Jacques Chirac on down have said France would not devalue.

Both sides claim that economic fundamentals do not justify any change in their currency's value.

Meanwhile, foreign-exchange trading was hectic again Friday as speculators, betting heavily on an imminent realignment of the EMS, snapped up marks, putting the French franc, the dollar, the Danish krone and the Irish pound under relentless selling pressure.

In Paris, the franc fell in late afternoon trading to below its permitted floor of 3.3003 to the mark.

The French, Japanese and West German central banks have made

London Dollar Rates

Table with columns: Currency, Bid, Ask, and other market data for London Dollar Rates.

Intervention was heavy again Friday. At the Frankfurt foreign exchange fixing, the Bundesbank bought 1.03 billion francs, well up from its purchase of 179 million francs at Thursday's official setting.

The Bundesbank also bought 118 million Danish kroner when the krona was fixed unchanged at its EMS floor of 26.40 DM per 100. The West German central bank did not buy any kroner at Thursday's fixing.

Dealers in Frankfurt said the Bundesbank also intervened in the open market to support the U.S. dollar, buying an estimated \$40 to \$50 million in the Frankfurt foreign-exchange market Friday afternoon.

In New York, the dollar closed at 1.918 DM, up from 1.9145 Thursday, at 1.6065 Swiss francs, up from 1.6035; at 6.398 French francs, up from 6.377; and at 2.166 guilders, up from 2.161. The pound closed at \$1.4775, down from 1.478.

In Europe, the dollar ended generally lower.

Japan Bank Intervenes on Large Scale

Reasons

TOKYO—Japan's central bank intervened massively and openly in foreign-exchange markets Friday, making what may have been its biggest single-day purchase of dollars in an attempt to prop up the U.S. currency against the yen, dealers said.

They said the Bank of Japan went on an unusually public buying spree even though the United States appeared to be looking for its currency to weaken.

The bank bought an estimated \$2.5 billion Friday morning, the largest amount dealers believe the bank has purchased in one day.

Finance Minister Kiichi Miyazawa said the bank would intervene in exchange markets regardless of cost.

In a sign of its determination, the central bank abandoned its usual practice of buying dollars secretly from banks.

It bought them through brokers so that currency dealers knew of its presence in the market, dealers said.

The bank's activity pushed the dollar to 158.20 yen at midday in Tokyo, up from 157.55 in New York at Thursday's close. But it closed at 157.60, down from 158.20 at Thursday's close in Tokyo.

One dealer said the central bank seemed to be the only dollar buyer in the market.

Some dealers sold dollars as the central bank bought, taking profits while the dollar was stronger.

The interest in selling the dollar was reinforced by remarks Thursday in Washington by the U.S. Treasury secretary, James A. Baker 3d, who said that the dollar's decline had been reasonable and orderly and that he did not foresee any risk of a resurgence in inflation because of its decline.

The market interpreted the comments to mean that the U.S. Federal Reserve would not intervene in conjunction with the Bank of Japan and that the United States may be looking for a weaker dollar.

BUSINESS PROFILE / Kevin J. Parry, Businessman and Backer of Fast Yachts

Racing to Build an Empire, Win America's Cup

By Nicholas D. Kristof

PERTH, Australia — On the knuckles of Kevin J. Parry's messy fists you can still see the faded scars of the street battles he fought as a boy growing up in a modest neighborhood here.

Parry remains a fighter, but today the venue has shifted to the corporate boardroom and to a stretch of ocean off Fremantle, near Perth, where the world's best sailboats are competing for the America's Cup. Two yachts financed by his conglomerate, Parry Corp., are contenders to carry off the trophy when the races end in about five weeks.

While Mr. Parry's Kookaburra III has won a place in the defender's final, and his Kookaburra II still has a chance against Alan Bond's Australia IV, Parry Corp. is trying to expand its empire in Asia and the United States.

A high school dropout, who at age 33 is one of Australia's best-known businessmen, Mr. Parry is shopping for media and other interests in the United States and elsewhere. He is cagey about the shopping list, but he said he recently made an unsuccessful bid of more than \$500 million for an American company, which he would not identify.

A short, slightly pudgy man, whose hair is thinning and graying, Mr. Parry decided to compete in the America's Cup races after Mr. Bond, another Australian businessman, triumphed in 1983 and brought the silver Cup to Perth.

"Alan said he didn't think he was going to get any competition worth much, and as a result would be underprepared for the defense of the Cup," Mr. Parry recalled. An in-house study estimated that an attempt to capture the Cup would cost \$5 million over three years, so Mr. Parry gave the project the nod. He has kept on nodding as his boats have cost nearly \$20 million.

A staff of 100 is operating the Kookaburra boats. Much of the money is going into Mr. Parry's passion, technology, such as computer modeling to study alternative keels and computer analyses of the best sailing tactics under different conditions.

For all the money being spent, Mr. Parry insists that the expendi-



Kevin J. Parry at home. He financed Kookaburra III, left, and Kookaburra II, camouflaged by waves top left, in the America's Cup.

ture has been good for shareholders in his corporation, and may even result in a profit. He suggested several sources of income. One is the sale of information and experience and even the Kookaburra boats themselves to syndicates planning to compete in the next round of America's Cup races. Negotiations are believed to be under way with several Japanese companies.

Another source of funds would be the commercial development of new technologies discovered in the research for a faster sailboat. About a dozen such commercial technologies have sprouted so far in developing the Kookaburra boats, Mr. Parry said.

Analysts and other Australian business executives say that Mr. Parry is typical of Australia's top businessmen — people like Mr. Bond and Rupert Murdoch or Robert Holmes à Court — in his plain-speaking style and yearning to transcend Australia's borders.

"He's like Bond in many ways, in that he takes big bites and then digests them and takes a profit at the end of the day," said Gary R. Pearce, also a prominent businessman in Perth. "In all his dealings, he's a big thinker."

The Parry family's luxurious marble and hardwood home in Perth's fashionable Dalkeith suburb little resembles the modest homes in the community in which he grew up, West Leederville. He then knew slightly, but never fought with, a boy named Bob Hawke, four years older, who today is Australia's prime minister.

Mr. Parry's father made furniture in a backyard workshop, and Kevin took over the business 25 years ago after his older brother had operated it with little success. Kevin expanded into retailing, with Parry's Department Store, and then into natural resources, real estate, media and technology.

Parry Corp. has grown quickly, with assets surging five-fold over the last five years to 290.8 million Australian dollars, or the equivalent of \$195 million at current rates. But the growth has come at the expense of profitability: slight losses were reported in 1984 and 1985, although the group's net income rose to \$6.9 million in the 1986 fiscal year, which ended June 30.

Mr. Parry says now he will place more attention on profitability, but he also appears to have bold plans

for overall growth. He predicts that assets will grow more than 15-fold over the next five or 10 years.

Whatever the pace, some of the growth is likely to come from the United States. Mr. Parry is known to be shopping for a television broadcasting business in the United States to complement his television and radio interests in Australia and Papua New Guinea.

An independent film production and distribution company that he purchased a year ago, Seven Keys Group, is now moving to the United States.

Mr. Parry, who quit school at age 15 and later was a star batter in Australian big league baseball, seems somewhat uneasy discussing financial reports and accounting details; analysts say that one of his merits as a manager has been his willingness to delegate authority.

In his sailing ventures, Mr. Parry has delegated decision making to the skippers of the Kookaburras, and he has rarely been aboard the boats. But he follows the yacht's progress, and the America's Cup is one of the few subjects on which he freely makes predictions.

"I would say we'll defend the Cup for Australia, and defend it successfully," he said.

THE EUROMARKETS

Perpetual FRNs End Firmer in Quiet Trade

By Christopher Pizze

LONDON — Most sectors of the Eurobond market ended little changed Friday after relatively quiet trading, but the perpetual floating-rate note sector was firmer after days of wide fluctuation.

Prices of some FRN issues had fluctuated by more than 10 points this week, dealers said.

The dollar-straight sector ended unchanged to 1/4 point easier.

Dentsche Bank Capital Markets lead-managed a \$300 million bond for the World Bank that proved a great success with investors. The five-year deal pays 7 percent and was priced at 101.

The issue was priced for a yield of about 45 basis points above equivalent U.S. Treasury securities. At the close, it was quoted at a discount of 1/4 percent, a yield of around 35 points over Treasury.

A trader at a bank that was not

involved in the deal said, "The market is looking for quality in the five-to-seven-year area. The yield isn't that generous, but the name makes up for it."

The \$300 million bond launched Thursday for Denmark slipped to about 2 1/4 percent Friday compared with total fees of 1 1/4 percent. Dealers said the issue was not helped by the launch of the World Bank bond.

Denmark is rated AA-plus by Standard & Poor's Corp., while the World Bank has a triple-A rating. In other new issue activity, Algemeene Bank Nederland NV issued a \$75 million bond paying 10 1/2 percent over five years and priced at 101 1/4. The issue, lead-managed by Baring Brothers & Co., finished at less than 2/4 percent bid, outside the 1 1/2 percent total fees.

In the European currency unit market, Dai-ichi Kangyo Nederland NV issued a 100 million-ECU bond paying 7 1/2 percent over 10

years and priced at 101 1/4. The issue ended comfortably within the 2-percent floor at a discount of 1 1/4 percent.

In the secondary markets, perpetual issues ended with gains of 1/4 to 2 points on the day. But dealers said that it was difficult to determine precise price levels because only about 12 houses were making markets in the issues, and some of these differed widely.

Some of these houses are quoting 1/4-point spreads while others are trading with 1/2-point spreads. One trader at a house that currently is making firm prices in perpetual deals said, "It's been very busy today, but strangely the market seems to have settled down a little."

Dated FRNs were unchanged to a fraction firmer. But most dealers disagreed with the view that retail money from the perpetual area was being directly reinvested in the dated market.

Friday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table A: OTC stock prices listing various companies and their prices.

Table B: OTC stock prices listing various companies and their prices.

Table C: OTC stock prices listing various companies and their prices.

Table D: OTC stock prices listing various companies and their prices.

Table E: OTC stock prices listing various companies and their prices.

Table F: OTC stock prices listing various companies and their prices.

SPORTS

24 Years After That 'Coldest Day' Loss, Giants Aim to Sneak Up on Title

By Dave Anderson
NEW YORK — It's as if that icy wind in 1962 blew the New York Giants season...

"I think my ears are frozen," Starr said. That wind from left field had gusted up to 30 miles per hour...

center field, Jim Taylor churned for 85 yards and the Packers' only touchdown. "I don't ever remember being hit so hard," Taylor said...

Over more than half a century, the Giants have had a brutal 3-11 record in championship games — 3-4 at Yankee Stadium and earlier at the Polo Grounds...

the fans' plea to go for the first down. Don Chandler punted to the 14, but Johnny Unitas completed four passes, three to Alvin Harrison...

Flaherty, an end for the Giants, suggested to coach Steve Owen that the players wear sneakers on a frozen field...

2 Championship Seasons Are Down to 4 Quarters

By Barry Wilner
CLEVELAND — The Cleveland Browns played like champions during the last six weeks of the National Football League season...

Yet Elway's ability to run with the ball presents the Cleveland defense with a problem the Denver defense can ignore...



Phil Simms, the Giants' quarterback, made sure he was well protected against the chill during practice Thursday.

Jordan Shuns 'Machine' Tag But Continues His Scoring

CHICAGO — "At long last I've lost the tag of being known as the Bulls' one-man scoring machine," Michael Jordan said Thursday...

handed out five assists, grabbed four rebounds, blocked two shots and had three steals. He made 20 of 34 field goal attempts...

10 Players Test Baseball Free-Agency

NEW YORK — Two power-hitting catchers, a former Cy Young Award winner and a batting champion Thursday night rejected last-minute offers to return to their former clubs...

Cup Jury Adjourns, Leaving Australia IV's Fate Undecided

DRIVING INTO CONTENTION — Greg Norman of Australia, teeing off on the 18th hole of the Tournament of Champions, shot 70-139 for the second round...

By Ruth Youngblood
FREMANTLE, Australia — The international jury pondering the survival of Australia IV adjourned Friday night to seek more information before deciding whether the American Cup defender finals will be an all-Kookaburra affair...

U.K. Horse Disqualified — For Eating Candy Bar

By Andrew Warshaw
LONDON — A sweet-toothed thoroughbred that munched on a 30-cent chocolate bar the day before winning a big race has been disqualified, losing \$15,000 in prize money...

Mayne, who fed the horse the candy bar. "Normally, I feed my horses oats and bran. But all horses like sweet things so I'm not surprised he ate the Mars bar," Bethell said.

AFC PREVIEW

Denver's defense is No. 1 in the AFC against the run, and coupled with that tough, deep secondary, could give Koser and teammates nightmares. But Chip Banks, another of the Browns' linebackers, did not seem worried.

NBA FOCUS

Portland's previous regular-season high was 50 points on Nov. 1 against the New York Knicks. Last April, he scored 63 in a playoff game against the Boston Celtics.

SCOREBOARD

Table with columns for Hockey, Basketball, and NFL Standings. Includes team names, scores, and game details.

Transition

BASEBALL
DETROIT — Signed Matt Timmerli to a two-year contract. NATIONAL LEAGUE
CINCINNATI — Traded Eddie Murray, outfielder, to San Francisco for Frank White, Tim Lincecum and Mike Villa, pitchers.

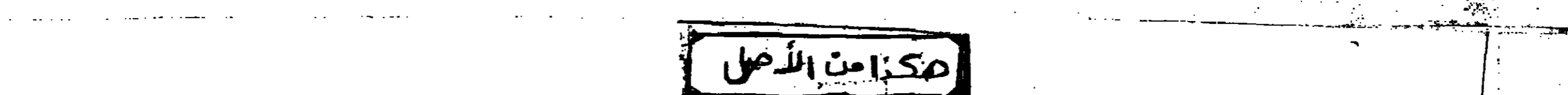
Transition

COLLEGE
ALABAMA — Named Don Lindsey, Bob Sherrill, Mac McWhorter, Andy Cristofani, Keith Colson, John Giv, Larry Howard and Chris Whitson assistant coaches. HARVARD — Named Jack Fiske administrative assistant and recruiting coordinator.

Transition

TOURNAMENTS
Greater Kansas City Classic
Pittsburg 52, Wichita 39
Rochester 48, Central 32, Okla. 31
Championship Classic
Chattanooga 52, Memphis 39
Howard 19, Ft. Collins 16, OT
Tribal Classic
Tennessee 52, Auburn 32
First Round
Beloit 52, Wisconsin 39

INTERNATIONAL CLASSIFIED (Continued From Back Page)
ESCORTS & GUIDES
LONDON BELGRAVIA
ARISTOCATS
LA VENTURA
CAPRICE-NEW YORK
LONDON KENSINGTON
LONDON ESCORT SERVICE



Friday's AMEX Closing

Table with columns: High, Low, Stock, Div. Yld. PE, Close, Change. Lists various stocks and their performance.

Table with columns: High, Low, Stock, Div. Yld. PE, Close, Change. Lists various stocks and their performance.

Table with columns: High, Low, Stock, Div. Yld. PE, Close, Change. Lists various stocks and their performance.

Table with columns: High, Low, Stock, Div. Yld. PE, Close, Change. Lists various stocks and their performance.

Table with columns: High, Low, Stock, Div. Yld. PE, Close, Change. Lists various stocks and their performance.

Table with columns: High, Low, Stock, Div. Yld. PE, Close, Change. Lists various stocks and their performance.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 9 Jan. 1987

Large table listing various international funds with columns for fund name, share price, and other details.

U.S. Raises Estimate Of Costs to Rescue or Close Banks in 1987

WASHINGTON — Government budget analysts have predicted that federal banking regulators will spend billions of dollars more on bank closings and bailouts this year than had been estimated.

Coffee Organization To Discuss New Quotas

LONDON — Coffee producers, disturbed by a sharp fall in its price, will discuss reintroducing export quotas at a meeting that the International Coffee Organization's executive board has called for Jan. 28, a spokesman said Friday.

Euro-Commercial Paper

Table listing Euro-Commercial Paper with columns for maturity (15-45 days, 46-75 days, 76-105 days, 106-135 days, 136-165 days) and rates.

Advertisement for 'Announcing Hand Delivery in Scandinavia!' featuring the International Herald Tribune. Includes contact information for Oslo, Malmö, Göteborg, Stockholm, and Stavanger.

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'AGENCY MARK', 'EUROMARKET', and 'OTC'.

CURRENCY MARKETS

EMS: Finance Officials to Discuss Currency Realignment

(Continued from Page 1) West Germany, forcing up an already strong mark.

Table with 2 columns: Currency, Rate. Includes Deutsche mark, French franc, Italian lira, Japanese yen, Spanish peseta, Portuguese escudo.

Mr. Stoltenberg has repeatedly signalled demands from French government officials to revive the...

huge interventions in foreign-exchange market over the past week in an attempt to prop up the flagging currencies.

THE EUROMARKETS

Perpetual FRNs End Firmer in Quiet Trade

By Christopher Pizzzy. LONDON — Most sectors of the Eurobond market ended little changed Friday after relatively quiet trading.

The \$500 million bond launched Thursday for Denmark shipped to about 24 percent Friday compared with total fees of 1 1/2 percent.

Japan Bank Intervenes on Large Scale

Intervention was heavy again Friday. At the Frankfurt foreign exchange fixing, the Bundesbank bought 1.03 billion francs, well up from its purchase of 179 million francs at Thursday's official setting.

TOKYO — Japan's central bank intervened massively and openly in foreign-exchange markets Friday, making what may have been its biggest single-day purchase of dollars in an attempt to prop up the U.S. currency against the yen, dealers said.

BUSINESS PROFILE / Kevin J. Parry, Businessman and Backer of Fast Yachts

Racing to Build an Empire, Win America's Cup

By Nicholas D. Kristof. PERTH, Australia — On the knuckles of Kevin J. Parry's meaty fists you can still see the faded scars of the street battles he fought as a boy growing up in a modest neighborhood here.



Kevin J. Parry at home. He financed Kookaburra III, left, and Kookaburra II, camouflaged by waves top left, in the America's Cup.

Parry remains a fighter, but today the venue has shifted to the corporate boardroom and to a stretch of ocean off Fremantle, near Perth, where the world's best sailboats are competing for the America's Cup.

Parry's father made furniture in a backyard workshop, and Kevin took over the business 25 years ago after his older brother had operated it with little success.

Parry Corp. has grown quickly, with assets surging five-fold over the last five years to 290.8 million Australian dollars, or the equivalent of \$195 million at current rates.

Mr. Parry says now he will place more attention on profitability, but he also appears to have bold plans for overall growth. He predicts that assets will grow more than 15-fold over the next five or 10 years.

Friday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table of OTC prices for various stocks, including ABC, AIG, AIZ, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Small text at the bottom of the page providing additional information and disclaimers.

SPORTS

24 Years After That 'Coldest Day' Loss, Giants Aim to Sneak Up on Title

By Dave Anderson
New York Times Service
NEW YORK — It's as if that icy wind...

"I think my ears are frozen," Starr said.
That wind from left field had gusted up to 50 miles per hour (80 kilometers per hour).

center field, Jim Taylor churned for 85 yards and the Packers' only touchdown.
"I don't ever remember being hit so hard," Taylor said. "I bled the whole game. My arms bled from hitting that frozen dirt. And my tongue bled after I bit it in the first half."

Over more than half a century, the Giants have had a brutal 3-11 record in championship games — 3-4 at Yankee Stadium and earlier at the Polo Grounds, 0-7 on the road. Four years before that 1962 arctic afternoon, the Giants lost to the Baltimore Colts in overtime, 23-17. But those Giants still think they should have won in regulation.

the fans' pleas to go for the first down. Don Chandler punted to the 14, but Johnny Unitas completed four passes, three to Raymond Berry, to position Steve Myhra for a 20-yard field goal with seven seconds remaining. After 8 minutes 15 seconds of overtime, Alan Ameche smashed in from the one-yard line.

Flaherty, an end for the Giants, suggested to coach Steve Owen that the players wear sneakers, as his Gonzaga team had a decade earlier on a frozen field. Owen turned to Abe Cohen, a tailor by trade and a locker-room helper who supervised the Manhattan College athletic equipment room.

Championship Seasons Are Down to 4 Quarters

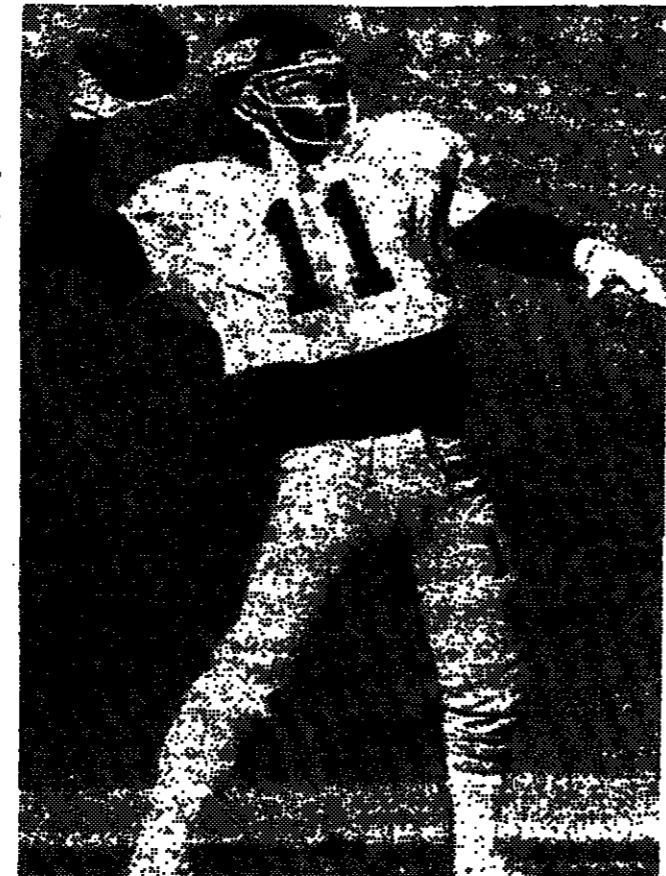
By Barry Wilner
The Associated Press
CLEVELAND — The Cleveland Browns played like champions during the last six weeks of the National Football League season. The Denver Broncos played like champions during the first six weeks.

in the playoffs, the Browns raised their record to 11-5 after splitting their last 10 games.
That has no bearing on this season, said the Browns' coach, Art Shell. "I think we are ready for the Browns and, if we play as we have, we'll be fine."

Denver's secondary is as strong as Cleveland's, and the offensive backfield might be the strongest unit on each side.
Dennis Smith is an All-Pro, and Mike Smith is an All-Pro and Mike Smith is screaming that he ought to be, Newsome said. "Steve Foley is a good one and has been around since Adam was a little boy. That's a great secondary."

the rally against the Jets reinforced the Browns' belief that they are the best in the league and headed for their first Super Bowl.
This is a different team than last year's. Inbacker Clay Mathis is a key player.

the 1985 Browns won the AFC Central title with an 8-8 record, the first of any division winner in NFL history. "We were just happy to be in the playoffs last year," Newsome said. "This time we expect to win, even when we are 10 games behind. We just have a special feeling we can do it."



Phil Simms, the Giants' quarterback, made sure he was well protected against the chill during practice Thursday.

Jordan Shuns 'Machine' Tag But Continues His Scoring

The Associated Press
CHICAGO — "At long last I've lost the tag of being known as the Bulls' one-man scoring machine," Michael Jordan said Thursday night after the Chicago Bulls beat the Portland Trail Blazers, 121-117, in the National Basketball Association. "I believe that I am taking advantage of passing off to the open man when I'm being double- and triple-teamed, and I proved it."

He made 20 of 34 field goal attempts and was 13 of 16 from the free throw line.
Jordan's previous regular-season high was 50 points on Nov. 1 against the New York Knicks. Last April, he scored 63 in a playoff game against the Boston Celtics.

Said Portland coach Mike Schuler: "Michael gives you problems all over the court. The whole league has been trying to devise ways to stop him. The best way to stop him is when Doug Collins [the Bulls' coach] takes him out."

ALABAMA — Harold Don Lindsey, Rio Sharer, Mac McWhorter, Andy Christoff, Keith Coleman, Johnny Latta, Howard Cole, William Constant, Charles Harwood, Jack Flips, administrative assistant and recruiting coordinator.

10 Players Test Baseball Free-Agency

United Press International
NEW YORK — Two power-hitting catchers, a former Cy Young Award winner and a batting champion Thursday night rejected last-minute offers to return to their former clubs and will make an unprecedented test of major league baseball's free-agent process.

Catchers Lance Parrish of the Detroit Tigers and Rick Gedman of the Boston Red Sox, left-handed pitcher Ron Guidry of the New York Yankees and outfielder Tim Lincecum of the Montreal Expos headed a group of free agents with more credentials than prospects. The others were first baseman Bob Horner of the Atlanta Braves, outfielder Andre Dawson of the Expos, infielders Dwight Gooden of the Braves, Toby Harrah of the Texas Rangers and Gary Roenicke of the Yankees and catcher Bob Boone of the California Angels.

The Players Association confirmed that five players — Ernie Whitt of the Toronto Blue Jays, Tommy John and Willie Randolph of the Yankees and Brian Downing and Doug DeCinces of the Angels — had re-signed with their clubs. John signed a one-year guaranteed contract and Randolph agreed to a two-year deal. The Angels and Blue Jays did not release details of the contracts.

Any player not signed by the midnight EST deadline became ineligible to join his former club until May 1. The unsigned players face an uncertain future amid charges that owners are in collusion not to sign to free agents. Last year, not one prominent free agent decided to test the market.

The Players Association contends that owners — in violation of baseball's basic labor agreement — are colluding to force players into re-signing with their former clubs. Union chief Don Fehr has said that if no major free agents move this year it will support his claim that owners are colluding to restrain the Players Association declined to comment on this year's negotiations.

Cup Jury Adjourns, Leaving Australia IV's Fate Undecided



DRIVING INTO CONTENTION — Greg Norman of Australia, teeing off on the 18th hole of the Tournament of Champions, shot 70-139 for the second round and finished four strokes behind new leader Rick Fehr in Carlsbad, California. Fehr, shooting a five-under-par 67, was two strokes ahead of first-day co-leader Mac O'Grady, three up on Ray Floyd and John Mahaffey.

U.K. Horse Disqualified — For Eating Candy Bar

By Andrew Warshaw
The Associated Press
LONDON — A sweet-toothed thoroughbred that munched on a 30-cent chocolate bar the day before winning a big race has been disqualified, losing \$15,000 in prize money and saddling his trainer with a fine.

The Jockey Club, the governing body of British horseracing, ruled Tuesday that a Mars bar given to De Rigeur, a 4-year-old gelding, contained a stimulant called theobromine that is prohibited under the sport's antidoping laws.

De Rigeur, a 20-to-1 long shot ridden by British champion jockey Pat Eddycup, won the Balmoral Handicap at Ascot last September, but a routine urine test after the race turned up traces of theobromine. The substance was traced to the sport's antidoping laws.

By Ruth Youngblood
United Press International
FREMANTLE, Australia — The international jury pondering the survival of Australia IV adjourned Friday night to seek more information before deciding whether the American's Cup defender finals will be an all-Kookaburra affair.

One more disqualification would drop Alan Bond's flagship to 71 points — five below presently second-place Kookaburra II and 12 behind first-place Kookaburra III — and halt the 1983 victor's \$13 million defense campaign. Both Kookaburra II skipper Iain Murray and the Australia IV campaign's executive director, Warren Jones, indicated they will seek court action if the jury decision isn't favorable.

"It's certainly possible we would go to court," said Murray, who is protesting Australia IV's use of a new sail called a genacker. The genacker is an asymmetrical sail that is a cross between a genoa and a spinnaker, and enhances speed on a close reach in medium to heavy winds.

"I hope fervently we don't have to resort to legal action," Jones said, but added that the Bond camp would seek legal recourse to stop its ouster from the best-of-nine series starting Jan. 14. After stripping Australia IV of six points for colliding with Kookaburra III in the last race of the semifinals, the jury of five men and women started deliberating on the sail issue Thursday and reconvened Friday night. The jurors adjourned after an hour "for the purpose of seeking further information" and will reconvene "later in the week-end," said a spokesman, Lyall Rowe.

"There has been so much pressure upon them they decided not to meet at the Port Authority Building as usual but at a secret place," he said. Brian Willis, the Kookaburra's sailing rules adviser said the jury erred in not accepting the conclusions of the cup matches' chief measurer, who found an infringement of the rules over the way the genacker was fastened to Australia IV. In their first ruling, the jury said that although the use of a rope extended the sail further aft than was permitted it was only for a short time, and the protest was dismissed. "But that's the whole point," Willis said. "You can't just say it's all right to break the rules for a short time."

AFC PREVIEW

Yet Elway's ability to run with the ball presents the Cleveland defense with a problem the Denver Broncos can ignore. Elway scrambled for 257 yards this season; Krosar, who prefers the pocket, gained 19 yards on 24 runs.

Elway has the ability to make a good play out of a potentially bad play, said Schottenheimer, calling attention to Elway's 22-yard touchdown scramble against England. Schottenheimer expected Elway to have full mobility Sunday.

"I'm sure that he'll be 100 percent," the coach said. "At this point in time, you've got a full season to recover."
But Elway won't have guard Paul Howard protecting him, because Howard injured a knee in that game. And his favorite receiver, running back Gerald Wilhite, hurt his shoulder against the Patriots.

For the Browns, inside linebacker Eddie Johnson (knee and ankle) is listed as questionable. Denver's defense is No. 1 in the AFC against the run, and coupled with that tough, deep secondary, could give Krosar and teammates nightmares.

But Chip Banks, another of the Browns' linebackers, did not seem worried. "We're rising at the right time," he said. "If we aren't the best team in the AFC, we proved we can play with the best. We're right there." Reeves realized that. "If we play less than our best, we will be watching someone else play in Pasadena," he said.

SCOREBOARD

Table with columns for Hockey and Basketball. Hockey includes NHL Standings and Selected College Scores. Basketball includes Eastern Standings, Central Division, Midwest Division, and Pacific Division.

Transition

ALABAMA — Harold Don Lindsey, Rio Sharer, Mac McWhorter, Andy Christoff, Keith Coleman, Johnny Latta, Howard Cole, William Constant, Charles Harwood, Jack Flips, administrative assistant and recruiting coordinator.

NBA FOCUS

handed out five assists, grabbed four rebounds, blocked two shots and had three steals.
He made 20 of 34 field goal attempts and was 13 of 16 from the free throw line.

Said Portland coach Mike Schuler: "Michael gives you problems all over the court. The whole league has been trying to devise ways to stop him. The best way to stop him is when Doug Collins [the Bulls' coach] takes him out."

ALABAMA — Harold Don Lindsey, Rio Sharer, Mac McWhorter, Andy Christoff, Keith Coleman, Johnny Latta, Howard Cole, William Constant, Charles Harwood, Jack Flips, administrative assistant and recruiting coordinator.

INTERNATIONAL CLASSIFIED (Continued From Back Page)
ESCORTS & GUIDES
INTERNATIONAL ESCORT SERVICE
USA & WORLDWIDE
Head office in New York
230 W. 56th St. N.Y.C. 10019 USA
212-765-7896
212-765-7754

INTERNATIONAL STOCK MARKET

